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PUBLIC HEARING  
before  
ASSEMBLY ENERGY AND NATURAL RESOURCES COMMITTEE  
on  
BEVERAGE CONTAINER DEPOSIT LEGISLATION

Held:  
July 14, 1982  
Whippany Park High School  
Auditorium  
Whippany, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Robert P. Hollenbeck (Chairman)  
Assemblyman Harry A. McEnroe (Vice Chairman)  
Assemblyman Arthur R. Albohn  
Assemblywoman Maureen Ogdern

ALSO PRESENT:

Algis P. Matioska, Research Associate  
Office of Legislative Services  
Aide, Assembly Energy and Natural Resources Committee

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I N D E X

	<u>Page</u>
Assemblyman Thomas Paterniti District 18	1 & 1x
Assemblyman Arthur R. Albohn District 25	5
Assemblywoman Leanna Brown District 26	6 & 5x
Charles Marcianti, President New Jersey State AFL/CIO	7 & 43x
Mary T. Sheil, Administrator Office of Recycling	14
Jim Lanard, Legislative Agent New Jersey Environmental Lobby	19
Albert Kent New Jersey Chapter of the Sierra Club	22 & 6x
Joseph E. Vanpool, Legislative Director Glass Bottle Blowers Association	24 & 40x
Floyd David Flexon Manager of Public Affairs Owens-Illinois, Inc.	28
George D. Solyak Personnel Manager Thatcher Glass Corporation	33
Sylvia Swanson Regional Legislative Director Glass Packaging Institute	1a
Robert Tygar, President Local 225 Glass Bottle Blowers Association of New Jersey	3a
Barbara McConnell, President New Jersey Food Council	5a
Anna Todd	14a



INDEX (Continued)

	<u>Page</u>
James P. Sweeney Administrative Assistant to Chairman of Midland Glass Company	15a
Martha Ferrari, Vice President Local 225 Glass Bottle Blowers Association	17a
Ray Povalski SORT Corporation	19a
Ellen DiMaggio Township of East Brunswick Committee on Recycling	21a
Leo Desrosiers Independent Residents Against Toxic Environment (I.R.A.T.E.)	22a
James C. Morford Director of Governmental Relations New Jersey State Chamber of Commerce	23a
Ellen Gruber New Jersey League of Women Voters	28a
Mark Lotwis New Jersey Public Interest Research Group	30a
John J. Garrity Executive Director Beer Wholesalers' Association of New Jersey	33a
ALSO SUBMITTED:	
Memo from the Madison Environmental Commission	57x
Statement from Glass Cycle Systems, Inc.	58x
Statement from Marian Jones President of Local #21 Glass Bottle Blowers Association	62x
Statement from Barbara L. Hall Private Citizen and member of Catham Borough Council	63x
Memo and Resolution from Robert S. Gorman Real Estate Manager Bergen County Park Commission	64x

INDEX (Continued)

	<u>Page</u>
Memorandum from JoAnn Dolan Executive Director New York-New Jersey Trail Conference	66x
Statement from Frank J. Oliver Palisades Preservation Coalition	67x
Resolution adopted and approved by Elizabeth G. Baumgartner, Mayor	69x
Letter to Mayor Baumgartner from Assemblyman Albohn	70x
Resolution on Returnable Beverage Containers	71x
Letter from Arthur R. Bartolozzi	72x
Letter from Joseph Manning, Chairperson Friends of the Parks Committee Branch Brook Park	74x
Letter from Maggie Ramonas, Environmental Officer City of Englewood	75x
Resolution on Returnable Beverage Containers	76x
Memo from Richard A. Menkes, President Menkes Municipal Services, Inc.	77x
Letter from Joseph A. Giorgio Business Administrator Township of Hanover	78x
Statement from Louis E. Schindel	82x
Statement from Robert C. Donovan Owens-Illinois, Inc.	85x

ASSEMBLYMAN ROBERT P. HOLLENBECK (Chairman): All right, ladies and gentlemen, would you please be seated so we can start the hearing? Good morning. I am Assemblyman Hollenbeck. I am the Chairman of the Energy and Natural Resources Committee. We will be holding two public hearings on this legislation, the one being held this morning, and one on the 25th of August, in Millville High School. The Committee was asked by the legislative leadership, the Speaker of the House and the Majority Leader, to address the problems and the concerns of people, dealing with the numerous bottle bills that are before the Legislature. I agreed that the Committee will take all the bills and hold public hearings on the subject to see whether we can address the problem.

I would like to introduce you to some of the members of the Committee: Assemblywoman Maureen Ogden and Assemblyman Arthur Albohn. This is my committee aide, Algis Matioska, from Legislative Services, and on his right is Mark Connelly. He is the committee aide for the Senate Energy and Natural Resources Committee.

We have a list of approximately 40 witnesses for today. Let me give you the schedule. We will hear testimony until approximately 10:30. We will break for lunch for an hour, and then we will resume to take testimony until 4:00, regardless of whether I have gone through this list of names or not. Those of you who are going to testify, if you have prepared statements and you have copies of them with you, please synopsize them and they will be put into the record in their entirety. For those of you who testify, please give your name and who you are representing. Just make sure you speak into the microphone. This will help us in the transcription of the testimony. This is a non-smoking facility. If you feel as though you have to smoke, please step outside.

We do not recognize any questions from the audience. We do not allow any type of demonstration. We are just here to hear testimony from people who are pre-registered to speak on these bills.

The first witness to testify will be Assemblyman Thomas Paterniti, of District 18.

T H O M A S P A T E R N I T I: Mr. Chairman, members of this Committee, the legislation on non-refillable containers that I am proposing before this Committee will have a great impact on people in many ways.

I feel that it will be a positive one, and I will try to demonstrate this when I speak on my two bills, A-1237 and A-1753, that are before this Committee.

Presently, there are at least 125 communities and 9 New Jersey counties that have endorsed resolutions, asking for this type of legislation. There is also some concern and fear from industry, retailers, and labor that this type of change can be harmful. I will demonstrate in both my bills that the way they have been drafted, they will end up benefiting all of these groups.

We also know that in many cases, no matter how strong the argument is or how concrete the evidence, there will still be some groups who will oppose change just because of the fear of change.

I have stated verbally and publicly that my legislation will clean up the landscape, create new jobs, reduce our dependence on foreign sources for raw material, save energy, and lengthen the life of our depleting landfills.

Currently, deposit laws are in force in Connecticut, Iowa, Maine, Michigan, Oregon, and Vermont. These are being joined by New York, Delaware and Massachusetts. Also, similar bills are pending in other states.

There are numerous benefits derived from deposit legislation, based on

experience in other states. For example, there is a 90% return of containers for recycling. We have 85% reduction of beverage container litter, including broken glass. There is a 40% reduction of total litter, and 6% reduction of municipal solid waste going to landfills. Sometimes people scoff at this, but if you give them a 6% on the price of their automobile, let me tell you something -- they will jump up and grab it.

Another benefit is, there is lower trash disposal cost, and energy and raw materials savings.

Beverage containers are the least degradable and most hazardous litter. The most enthusiastic supporters of can and bottle legislation are vacationers coming back from deposit states. Many new jobs are created. For example, in the State of Michigan 4,500 jobs were created by the deposit system. I have correspondence from the Governor of Michigan giving proof that this has happened.

Some of the fears of various groups can be alleviated, because once they understand this legislation they find that it will be beneficial.

Both my bills recycle all glass, cans, and plastic containers. There are no refills. Now, there is a grandfather clause in A-1753 that will allow existing companies in the state, if they are presently refilling bottles, to continue, only at the same amount that they have in the past. If you go to some of the gas stations, you will see where they take back the bottles, and so on and so forth. We are not in the business to put people out of work, and naturally these people will be protected by this legislation. But, they cannot expand. They have to continue at the same rate. So, actually, they are not being helped and they are not being hurt, and no one else is being hurt.

This in no way would harm the can and bottle manufacturers in the state as far as jobs are concerned. In fact, more jobs will be created, insofar as handlers on trucks and the recycling plants are concerned.

Another concern is the fear that it will cost the retailer more money because of handling, storage and sanitation problems. My bill would compensate them. A-1753 would pay them 1¢ per container, and A-1237 would let them keep the money generated from the recycled scrap.

Some argue that this may not be enough. There are additional compensations, because the deposit will encourage the consumer to return to the place of purchase, setting a pattern that will create more sales of other items and increase their profit. Also, when they return their containers they will receive a receipt, and before they cash the receipt at the register, it will encourage customers to purchase more merchandise. In A-1753, there will be no additional space needed for storage because the distributor will pick up the containers when he delivers the full containers. By this procedure, you really recycle full and empty containers. If there is a storeroom where there are, say, several hundred thousand containers, they will both be kept in the same room, so actually it is being recycled. So, it is not going to hurt the distributor.

Evidence has shown that the sanitation is no problem. For example, in the State of Maine the G.A.O. made 5,029 inspections and not a single citation was issued.

The manufacturer gains by this type of legislation because he has a greater source of raw material whose manufacturing process is less costly. Large quantities of energy can be saved, such as 95% in processing aluminum, and 40% to 70% in other cases. Because of this, we further reduce our dependence on foreign sources for raw materials, helping to maintain our national balance of payments.

Both my bills have many things in common. The most important one is that

all containers are not refillable. They must be recycled. In this area, I will not compromise. Many of the other areas may be amended if this Committee feels it will make this legislation more acceptable. The important thing is, we have a bill that can be acceptable to all parties concerned.

A-1237 is a disposable container bill that will recycle and be a revenue-raiser at the same time. This bill provides revenues for the State of up to \$100 or \$150 million annually. It creates a fund that will raise \$10 million to train and retrain employees for new jobs, allow revenues to be raised to compensate the retailers, and allow the creation of redemption centers within one mile radius of the retailer.

I have an outline of exactly how this works. I believe all the members of the Committee have this outline. If anyone else wants one, I have additional copies

The way this first bill works is, the distributor will send the containers to the retailer. The retailer, in turn, will pay him a 5¢ deposit, depending upon the size of the container. Anything under 32 ounces, they would charge 5¢; anything over 32 ounces would be 10¢.

Now, the distributor immediately sends the money to the Director of the Division of Taxation in the Department of the Treasury, and the Director gets paid on a monthly basis. Of this, he breaks the money into two parts: 60% goes to the beverage container recycling fund; and, 40% goes to the general state fund. This would actually be 2¢ or 4¢, depending upon the size of the container. The other 3¢ would go into the beverage container recycling fund.

Now, what happens is, the consumer brings back the containers. In this bill, he would only get 3¢ back, or 6¢ back, respectively. Then the retailer would send the forms, to receive his compensation for the monies, back to the Beverage Container Recycling Fund. That would be on an every-three-month basis. He would able to keep the scrap to compensate him for his cost.

The way this raises money is, you have four billion containers in the State of New Jersey. Every cent generates \$40 million. By the Director of the Division receiving 2¢ and 4¢, respectively, the State would raise close to \$80 or \$100 million. The Beverage Container Recycling Fund would hold this money for a period of three months, investing these monies for 12%, 14%, 16%, or 18%, and they can generate another \$40 or \$50 million.

In this bill there is also another one-quarter of one percent that would go to a Beverage Container Industry Employment Retraining account. This would be used to retrain any person who has been displaced. If all that money isn't used, it will eventually go into the State Treasury.

So, all in all, this is basically a tax as well as a recycling bill.

Now, my other bill, which is A-1753, has the endorsement of every group possible in the State, plus on the national level, because I have met with all these people. We have the Sierra Club behind us, all the environmentalists, the League of Women Voters, and a host of other groups. They all support this piece of legislation.

A-1753 is a disposable container bill that will recycle both the containers and the revenue. So, there will be no cost incurred by anyone. It will recycle all containers. The only containers that will be allowed to be refilled -- as I mentioned earlier -- will be those done by companies that are presently refilling bottles, and that have been doing this for a one-year period prior to the effective date of this act. They must file an affidavit with the Commissioner of the Department of Environmental Protection, stating the volume and brand.

Now, the retailer will receive 1¢ per container for handling, and one-quarter of a 1¢ container will be deposited in the Beverage Container Industry Employee Retraining account. This would be by the manufacturer. Now, if no one is relocated -- and this account will last for a period of two years -- seventy-five percent of this will go back to the manufacturer. This will encourage the manufacturer not to lay off any employees, because if people have to be retrained, it is going to cost them. They will be receiving less money. So, actually this is what we call putting sweeteners into the bill, to try and accommodate everybody in order to come out with something that is going to be beneficial to all.

I also have a chart available showing how this particular bill operates.

ASSEMBLYMAN HOLLENBECK: Do you have to go through that whole chart?

ASSEMBLYMAN PATERNITI: It will take me about one minute. It is very simple.

ASSEMBLYMAN HOLLENBECK: All right.

ASSEMBLYMAN PATERNITI: Actually, the distributor would charge 5¢. He will collect it from the retailer. He will keep that for a period of from six to ten weeks, in an interest-bearing account, which would generate, roughly, about \$20 million. The consumer picks up the container, pays 5¢, it goes back to the retailer, and the retailer reimburses him the 5¢. All right? Now the retailer receives 1¢ per container from the distributor, which is 20% of the cost of handling. The distributor not only drops off the containers, but he also picks them up. In that way there is very little handling and very little storage problem. The distributor will also be able to keep the money from the recycled materials.

So you have the collection, the holding of the deposit for six to ten weeks, and the unclaimed deposit. The other things you have also is, there are about 10% of the containers that never come back. In this bill that would generate about another \$20 million, and it would generate the same amount in the other bill as well. You also have income from the recycling of the materials. This would generate, roughly, about \$15 million.

So, actually, the distributor may come out ahead. The retailer will be compensated for his handling. As I said before, some claim it may not be enough, but they have the other added incentive of people going into the store and buying other merchandise. And, because they may carry a special brand, it is going to encourage them to come back to the same establishment. Actually, retailers advertise, many times, with all kinds of coupons and stamps, which is, of course, just to encourage people to come in to purchase their merchandise. They have all kinds of advertising. Here they are getting this for nothing. So, I think this bill will benefit them. It will benefit the State by helping the environment. I think it will benefit everyone concerned.

If you have any questions on either one of my bills, I would be happy to answer them for you, Mr. Chairman.

ASSEMBLYMAN HOLLENBECK: I just have the standard question. Does your bill -- either bill or both bills -- ban flip tops and pull tops, and the rings?

ASSEMBLYMAN PATERNITI: Yes. In fact, the rings will have to be a degradable type of material. Not the flip; the flip is automatically banned. But, the loops that hold the container, they will be degraded within a period of one year. That is what my bill insists on. So, it will even prevent that type of litter.

ASSEMBLYMAN HOLLENBECK: The answer was yes?

ASSEMBLYMAN PATERNITI: Yes.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Doctor Paterniti. Of course, your two bills are bills that have to be considered by the Committee.

ASSEMBLYMAN PATERNITI: I appreciate the Committee taking this time to hear testimony on both of my bills. Thank you. (see index for charts)

ASSEMBLYMAN HOLLENBECK: We have just been joined by the Vice Chairman of the Committee, Assemblyman McEnroe, from Essex County.

Assemblyman Albohn, a member of the Committee, is also a sponsor of one of the bills, and we will hear testimony from him at this time.

ASSEMBLYMAN ARTHUR R. ALBOHN: Thank you, Mr. Chairman. I think we are all going to hear a lot of the same thing here today before we leave, because many of the deposit legislation bills have the same things in common. I think the whole situation has been hashed and rehashed in the newspapers and through the media for several years now -- quite a number of years, actually. The positions of most of us are quite firm and quite hard, on one side or the other of the issue.

I have introduced A-78, which also was designed and drafted by environmental groups under a previous legislator, and I sort of became its heir apparent, with the beginning of the new session. It, along with some amendments that I have already prepared, and some that are still in preparation, I think will be the most comprehensive bill of all of those that have been submitted.

Of course, the purpose of all of these bills depends very much on the attitude of the individual. To some, litter is the most important significant item, to others it is the reduction of the solid waste stream, and to still others it is the energy efficiency -- or the reputed energy efficiency -- of using returnable bottles, or refillable bottles, versus using single-trip bottles. Frankly, I won't get into that, because it seems that you can get good evidence on both sides that they are right. I don't think the decision can be that clear cut as far as energy efficiency is concerned.

I think the one significant problem that we have that can only be addressed by deposit legislation is that of litter control, because while many say that recycling is the answer to the problem, you can't push people into recycling. We have been wheedling and cajoling and pulling at them for years to get them to recycle, and we have certain groups and certain individuals who will do so automatically, and do it at their own expense, on their own volition, and very often at great inconvenience to themselves. But, we cannot rely on that sort of an attitude amongst the population as a whole.

As a result, one of the largest significant items of solid waste, which is beverage containers, can be handled best, I feel, by deposit legislation. When you attach an economic incentive to recycling, that is when you will get it. And, you have to attach a sufficient incentive so that recycling becomes absolutely essential. Years ago, two cents was enough on a small beverage bottle, and five cents was enough on a large one. If we are to inflate that according to the cost of living index, we would probably end up with something like fifty cents and a dollar for the deposit, but this has not been proposed by anyone. I think all of us who are in favor of deposit legislation are quite willing to have a five or a ten cent deposit to see how that works. I think it will work. If it should not, and if there should still be a group of people who fail to recycle, I see no problem with increasing the deposit somewhat more. Because, frankly, that is not an expense to the consumer. He pays his deposit once. He, in effect, has a small amount of money in escrow, and as he returns his bottles, he reuses the same money. So, he might have a \$1 or a \$2 escrow account which he is using to cover the bottles that he purchases his beverages in.

Each piece of legislation that we will be reviewing here today has some of the same ideas, and each of them has some of its own quirks. We just heard about one bill which is, in effect, a tax bill. I think that is the wrong direction to go in. One of the last things this state needs is additional taxation. So, I think we want to stay away from that kind of thing, and we should move very strongly toward pure and simple deposit legislation, which may, within itself, have a certain funding of problem situations that might arise.

A-78 does contain some of those provisions. It makes provision for extra unemployment compensation in case of unemployment, generated solely and directly as a result of deposit legislation. I don't think that is going to happen, but we are putting it in the bill anyway so that it is there in case it should happen.

By the same token, many manufacturers have indicated they will have to have a shift in their labor force from one job to another, so we have made provision in the bill for training funds, in case that should become necessary also. Again, I don't think that is going to happen, but the provision is there in case it should be needed.

Deposit legislation is sometimes claimed to be superceded by recycling. I know that the Department of Environmental Protection, or some of its members, has taken the position that we don't need deposit legislation; what we need is recycling. That is almost like saying, "I don't care for an apple; I'd rather have an orange." It is not the same thing at all. And, if anything can exist by itself, it is deposit legislation. Recycling cannot exist without deposit legislation because there is no economic incentive to recycle the materials.

Finally, if you question the need for it, I urge you as you drive away from here today to look at the streets, the jughandles, the traffic stops, and so on, and see what you find there. I think you will almost universally find bottles or cans or something of that sort. You will find them on your front lawns. You will find them in your parks. You will find them in the parking lot out here, in front of my car, where I had to chose a different spot because there was a broken green glass bottle right in front of the car. You will even find them in places like the Pinelands. A year or so ago, I had the opportunity to make a trip through the Pinelands, which is supposedly one of the pristine wilderness areas of the State of New Jersey. You go through there in a canoe and everything is quiet and the birds are twittering and everything is nice, except that you see bottles and cans propped up on tree stumps, floating along in the bottom of the clear water. Situations like that are inexcusable, I think. As I see it, recycling will never accomplish the diminution of that kind of waste and soiling of our environment; whereas, deposit legislation will. To me, what is the major significant reason for the whole program. Thank you.

ASSEMBLYMAN HOLLENBECK: I understand that Assemblywoman Leanna Brown has arrived.

A S S E M B L Y W O M A N      L E A N N A      B R O W N: First of all, I would like to welcome the Committee. I am pleased with the marvelous turnout here in Morris County, where I have served as a member of the Board of Freeholders for eight and one-half years. This district is very ably represented by Mr. Albohn, who you just heard. So, we are very pleased, Mr. Chairman, that you saw fit to have the first of your series of hearings in this particular area because one of the things I want to underscore, as a representative of the New Jersey Legislature, is that I have the good fortune to be a representative in District 26, which goes from Chatham Township all the way up to two Passaic towns, which consist of West Milford and Ringwood.

Last year, Mr. Gallo and myself sent out a rather comprehensive questionnaire. We received back over 3,000 responses, and one of the major things I just want to let your Committee know personally here this morning is that 72% of the 3,000 constituents responding to this questionnaire felt very strongly about the enactment of a piece of bottle legislation.

As you know, I have my own version of the bill, A-533, which is relatively simple. It has many of the aspects that Mr. Albohn has outlined to you already. The major difference is that I do not go into retraining programs for people engaged in the glass industry because, frankly, Mr. Chairman and members of the Committee, I do not believe we are going to lose many jobs as a result of having a bottle bill. I think that any of you who have read the piece in the New York Times on Sunday, know from the Michigan experience that many people are finding the bottles stay in their homes, interestingly enough, and there has been no great drop in the need for new bottles when a state adopts a piece of recycling legislation.

I think the time has come to look at and examine this very serious subject. I am well aware of the dialogue that took place during the gubernatorial campaign last year, but I think the people are speaking -- witness the turnout here this morning. I am sure new ideas will be put forward as to how New Jersey can lead the way in effectively coping with this problem. Thank you very much.

ASSEMBLYMAN HOLLENBECK: Thank you. Next we will hear from Charles Marcianti, President of the New Jersey State AFL/CIO. Good morning, Mr. Marcianti.

C H A R L E S M A R C I A N T I: Thank you, Mr. Chairman and members of the Committee. You have a copy of my prepared statement that I have given to you. We have broken down the presentation to three sections, one dealing with the environmental impact, the impact on jobs, and the monetary cost.

With your indulgence, I would like to go through the testimony, just briefly. We have found, sir, that a 5¢ refund will not stop the most common reason for roadside dumping of bottles and cans.

As long as we have individuals who insist on drinking while driving and disposing of the evidence of their violation of the law by throwing the cans and bottles from the windows of those vehicles, no amount of refund will stop that.

You will have to take into consideration, if you talk to nearly every kid that you know, including your own, that they will tell you it is a "no-no" to have an open bottle of beer in your car. They get rid of it, because it is a hell of a lot easier to destroy, or get rid of the evidence. That that is basically what you are doing.

Less than 15% of all the litter and less than 3% of the solid waste on our highways is glass or metal containers. New Jersey's innovative recycling plan, in effect only 6 months, is already having a positive and dramatic environmental effect. Contrary to what some of the previous speakers may have indicated to you, that plan is working and it is working beautifully.

More than half of New Jersey's 567 municipalities are participating in that recycling program. Forty-three towns are presently requiring residents to separate paper, bottles, and cans for curb-side pickup. And, I think as a promotional thing on the part of the Legislature and those groups, all of us, who are concerned about the environment, we should encourage the adoption of such ordinances in the remaining municipalities of the State.

In 1981, New Jersey led the nation in tons of glass recycled. New Jersey, in 1981, recycled 31% of their glass containers and the amount is increasing daily.

In four years, glass recycling has increased by 325%, up to 120 thousand tons recycled in 1981. That doesn't hold with some of the previous testimony, although what I am giving you is fact.

As far as the impact on jobs is concerned, it is the responsibility of the Legislature, in our opinion, to help create jobs and a healthy economic climate in New Jersey. Historically, the Legislature has never tried to eliminate jobs, as some of the bottle bills will do.

Further, the economic ripple effect on communities whose incomes are dependent on container packaging would be devastating. The payroll of the glass container industry in New Jersey is \$186 million, annually.

When I say that, those of you who are familiar with the glass industry and probably many of the representatives from the industry itself, and certainly our union members who are in attendance here today-- and, I am not "grandstanding". Some real hard facts are, New Jersey has some of the oldest manufacturing facilities in this nation. There is only one reason why the glass industry is still here: we have one of the most highly-productive work forces of any glass producing facility in the nation. And, despite the fact that we have old machinery and we are using old-type kilns and old furnaces, we are still able to knock it out pretty good, because we have a damn good work force. That study was undertaken by the Department of Labor, under the former Commissioner, Joseph Hoffman, a few years ago. It came down to the bottom line, with energy costs, taxes, and all of those things cranked in, and there was only one reason why the factories were still located here, in view of the fact that we had some of the most restrictive air emission standards, and all the backup that went with it. When it was all taken into consideration, the companies stayed in New Jersey for the very simple reason that we had a very highly productive work force.

State and local taxes generated by the glass industry are \$2.5 million. The average salary of so-called jobs created by container legislation are far lower than existing industry jobs. They are bare survival subsistence wages, and don't let anyone kid you when they start mentioning the thousands of jobs that are created; they are all minimum wage jobs. That doesn't do a hell of a lot for this State's economy.

In the State of Michigan over 1,000 jobs have been lost. I know what the Governor said, but we have people who had jobs previously who no longer have those jobs. So, 1,000 jobs were lost from the glass industry; and they say they created 4,500 jobs to retrain, paying \$3.40, or \$3.35 an hour. You try to live on that.

In Massachusetts, over 300 jobs were wiped off the books, along with the families affected.

In Connecticut, 685 jobs were lost. In Ohio, 250 jobs were lost. In Indiana, 200 jobs were lost. Now, these aren't great numbers, except that you have to take into consideration that New Jersey is the glass producing capital of the world. Any effect on those industries in this state would have a dramatic effect.

In New York the figures have not come down to us since legislation has just recently been signed into law. When those ugly numbers are presented to us, we will make them available to you.

In Connecticut, when deposit legislation was passed, the Legislature appropriated \$95,000 to compensate the innocent victims who became unemployed through no choice of their own. The appropriation was subsequently forced to be increased to \$290,000, and then projections were made which put the annual figure for the coming year at some \$535,000, to take care of those people who had been displaced, because the

number of unemployed increased.

The question, I guess, is how far is New Jersey prepared to go with our large glass work force, since we are regarded as the largest glass producing state in the nation?

You know, while all the glass producing facilities are located in any number of our 21 state counties, the bulk of them are located in two or three counties. Quite frankly, if some of the kinds of legislation that were put forth were to be enacted, knowing the location of those producing facilities, I am just wondering where we are going to put the people in those two or three counties who are going to be displaced because of this type of legislation? There isn't an awful lot of economic activity going on in Cumberland, in Salem, and in Cape May Counties right now, as the major glass producing counties of this state. I am just wondering where you are going to put those people? I guess what you will do is, you will uproot the families because they will have to move to other areas in order to get some of those big \$3.35 an hour jobs.

You know, we have a major confrontation in front of us, and I think we all realize it. You have the environmental groups of this state who have a noble purpose, indeed: to clean up the environment. Unfortunately, one of the major things they never consider are those innocent victims who really can't do a hell of a lot about the situation that is presented to them, those people who are going to be forced to lose their jobs.

Human factors just don't add into their equation, somehow. The human factor does add in to the Legislature, and we are very happy to be able to come here today to make this presentation and indicate to you that we have great concern over these bills, and that the effect on our people would be, in my opinion, traumatic.

We are asking you to -- as you are doing -- hold these hearings and gain the input from those people who are able to give you the factual presentations that are needed, because you are dealing with some very delicate problems here.

I would like to thank you for giving me the opportunity to speak, and I would be happy to answer any questions you may wish to ask.

ASSEMBLYMAN HOLLENBECK: I have a couple of questions, Mr. Marcianti. Obviously, your voice carries a great deal of--

MR. MARCIANTI: Don't say weight.

ASSEMBLYMAN HOLLENBECK: (continuing) --influence. I was going to say weight, but I changed my mind. You do have a great deal of influence. I would like to start talking about some of the nuances of some of the pieces of legislation, specifically dealing with flip-top cans. Do you feel it would have any kind of impact within our industries in the State whether we banned the ones where you have the flip-top cans, rather than have the ones where they open and stay on the top of the can?

MR. MARCIANTI: Mr. Chairman, the transition of phasing out a flip-top can into a biodegradable type container, if it were to be done in the same facility, I am really not an expert in that. I am an expert in human problems. The people from the manufacturing industry -- and I am not trying to cop out on this -- would be better prepared to give you that kind of an answer.

As a position of our organization -- and I have to state that -- at our recent convention, we unanimously voted to oppose those pieces of legislation presently before the Legislature because of the economic impact that it would have on our people. We did not get into selecting alternatives. I would like to be able to come back to you at your subsequent hearing and possibly give you an answer to that question,

and the questions I hope you will then ask.

ASSEMBLYMAN HOLLENBECK: There is the one, of course, dealing with the non-degradable ring binders that are used to hold the six-pack, etc., which some of the legislation addresses. Again, switching from a non-degrading plastic to a cardboard or degradable material, would that have any impact upon the work force?

MR. MARCIANTI: I know there are probably people from the plastic industry who are pulling their hair out, but that is too damn bad.

ASSEMBLYMAN HOLLENBECK: I think we will probably hear some testimony with reference to the fact that there is even some type of degradable plastic -- that there are some plastics that are ultraviolet-sensitive and that do degrade.

Within your testimony, I noticed there was a statement -- in your opening impact statement, Mr. Marcianti -- that the Legislature has never tried to eliminate jobs, as the bottle bills will do. You added a couple of words, "some bottle bills will do." Was that said with intent or--?

MR. MARCIANTI: No, some of the bottle bills, where they are talking about recycling, although they talk about recycling of bottles, ban flip-top cans. I know that to ban flip-top cans would immediately cause a displacement of a large segment of the work force in this State. So, we are not wildly enthusiastic or even supportive of that kind of approach, unless something can be done in the alternative to ease the burden -- or, not "burden", but not to displace any people who are working in those facilities at the present time.

ASSEMBLYMAN HOLLENBECK: I guess what I am trying to ask, Mr. Marcianti, is if there is a way, legislatively, that can be devised that would not have an impact upon the workers of this state, causing loss of jobs, and yet that could accomplish the goal. You yourself, and the people you represent, are not opposed to this goal; your main concern is about the economic impact on the workers of this type of legislation.

MR. MARCIANTI: Mr. Chairman, we are opposed to the idea of putting legislation in that would create jobs over here for people, and they would probably term them meaningful jobs at \$3.35 an hour, except none of the people who are proposing to do this would care to live on \$3.35 an hour when they were earning \$10.00 an hour working in the glass or the can-producing industry. I don't think we can blame them for that.

ASSEMBLYMAN HOLLENBECK: I am just trying to make sure that nobody is taking the position of being completely against anything. You have major concerns and if they are addressed, etc., then it will be different. But, at the moment they are not being addressed.

MR. MARCIANTI: I guess my testimony here represents people rather than manufacturing firms. However, people may want to believe to the contrary.

ASSEMBLYMAN HOLLENBECK: Does any other member of the committee have any questions?

ASSEMBLYWOMAN OGDEN: Yes, I do, Mr. Chairman. Mr. Marcianti, certainly the matter of jobs is an area that is of great concern to all of us, especially with us approaching the 10% unemployment level. What is your reaction to the aspect of Assemblyman Paterniti's bill, in which he is proposing that none of the containers should be refilled? Wouldn't that mean that no one would be put out of a job?

MR. MARCIANTI: We would have no great problem with that. The problem with this bill is that there is a ban on flip-tops. We wholeheartedly support the recycling.

ASSEMBLYWOMAN OGDEN: But, the point I am trying to make is, the key thing that seems to be different in his bill is that he would not refill the bottles, and so it seems to me that would translate into not losing any jobs in the glass manufacturing

industry.

MR. MARCIANTI: On the economic side, are you saying you are supportive of his type of bill?

ASSEMBLYWOMAN OGDEN: I am asking your reaction to it.

MR. MARCIANTI: My reaction to it is that it would impose an additional cost onto the product, while supposedly being reimbursable -- and it probably would be reimbursable. It would just add to the cost of the product. It would give the company a chance to say, "Well now, as long as you are going to pay for this by a refund on a deposit, we can throw some more on top of it and blame it on the deposit type legislation." It is going to add to the economic burden on people. In that respect it will.

ASSEMBLYMAN ALBOHN: In what industries, Mr. Marcianti, do you see these high paid jobs being lost? Can you be specific about that?

MR. MARCIANTI: Sure. In the can industry.

ASSEMBLYMAN ALBOHN: Can manufacturing?

MR. MARCIANTI: Can manufacturing, bottle manufacturing, and any of your glass facilities in the state.

ASSEMBLYMAN ALBOHN: On what basis do you say that? Are people going to be consuming less in the way of beverages?

MR. MARCIANTI: No, they won't be consuming less in the way of beverages.

ASSEMBLYMAN ALBOHN: Well, where will they get their beverages from? If we are losing jobs, that means there must be fewer cans being made and fewer bottles being made.

MR. MARCIANTI: With the elimination of the flip-top can, you have to come up with an alternative container.

ASSEMBLYMAN ALBOHN: There is one.

MR. MARCIANTI: Yes.

ASSEMBLYMAN ALBOHN: It is the punch type.

MR. MARCIANTI: Which one are you talking about?

ASSEMBLYMAN ALBOHN: The direct punch type. You know, they are all manually opened. But, there are two types of flip-top cans, one with a separating flip and the other with the attached flip. They are both made by can manufacturers. As near as I can tell, all manufacturers have an equal opportunity to use both types. They may have to pay license fees or something like that, but they have that opportunity. So, how can there be any jobs lost in the can industry?

MR. MARCIANTI: I haven't seen the can you are talking about, where you open it and by opening it-- Oh, are you talking about the little piece of plastic that comes off the top?

ASSEMBLYMAN HOLLENBECK: No. We all know the ring type that is pulled off and detached.

MR. MARCIANTI: Yes.

ASSEMBLYMAN HOLLENBECK: There are also soda containers, and beer containers, that have a top on, where the little piece of metal projects, picks up, pries down, opens the container, then folds back but does not detach.

MR. MARCIANTI: Oh, I see.

ASSEMBLYMAN HOLLENBECK: The one they are talking about is the detachable one, where we find they are thrown around. That is the one that we are generally referring to.

MR. MARCIANTI: Now your question again, please?

ASSEMBLYMAN ALBOHN: Why should there be any loss of jobs in the can industry

on that basis?

MR. MARCIANTI: There probably wouldn't be.

ASSEMBLYMAN ALBOHN: So then the can industry is likely to be unaffected, and it will only be the bottle industry. On what basis do you see a loss of jobs in the bottle industry?

MR. MARCIANTI: With regard to a couple of the bills in, they require deposit, and not all bills, to my knowledge, are calling for recycling.

ASSEMBLYMAN ALBOHN: Let's take recycling out of it, because what happens to the glass is a different subject than how you get the bottles back to the manufacturer and what is done to them at that time.

All of the bills, I think, permit both reusable and non-reusable bottles, except one, and one bill would permit only non-reusable bottles. In other words, we would no longer have the conventional deposit bottle, where one would bring it back and it would be refilled. We will still bring the bottles back, but they would be destroyed at the retailers or the distributors, or something like that, and probably the glass would be recycled, although it wouldn't have to be. It could just be hauled away to the dump. The purpose would be to get it out of the mainstream. I would imagine that it would be recycled, but that is not necessarily a part of it.

Now, on that basis, why should there be a change in distribution of bottle manufacturing, from returnable to non-returnable, or in any other way that would cause job losses in the glass industry?

MR. MARCIANTI: Sir, to answer your question, our basic objection is to the returnable and refillable bottle. That is our objection. To the recycling of the bottles, we can't have an objection.

ASSEMBLYMAN ALBOHN: Aren't there advantages to the single-trip bottle? Under the present circumstances, without a deposit, why are people using single-trip bottles now?

MR. MARCIANTI: Probably because they have been educated to it.

ASSEMBLYMAN ALBOHN: Isn't there a cost advantage to the manufacturer, perhaps? Isn't there a cost advantage both in--?

MR. MARCIANTI: I can't answer that. I don't know the economics of that, sir.

ASSEMBLYMAN ALBOHN: Then I don't think it is fair for you to say, unequivocally, that there will be job losses in the bottle industry because of deposit legislation.

MR. MARCIANTI: If there are going to be refills, you better believe there is going to be job loss.

ASSEMBLYMAN ALBOHN: There are refills now.

MR. MARCIANTI: Fine. And, we are willing to accept-- Even though we have had a 5,000 man job loss in the State of New Jersey as a result of some of the surrounding states adopting some of the legislative proposals you are proposing now, we have cut the work force by one-third. And, with New Jersey opting to do it, we can only go on what has happened in the past and compare it to what we are faced with today. We can only go on what we have lost already. There certainly has not been a decrease in the consumption of product by the consumer, as your first question seemed to indicate.

ASSEMBLYMAN ALBOHN: Isn't it pretty well established that the loss of jobs in the glass industry in the State of New Jersey, to date, is not as a result of deposit legislation, but it is as a result of the inroads made by the plastic bottle producers?

MR. MARCIANTI: I wouldn't say yes to that. It would certainly seem that a portion of that unemployment is due to the plastic container, but I wouldn't want to say that it due totally to the plastic container. I would say that the bottle

legislation passed in surrounding states directly contributed to -- to modify what I said previously -- a portion of the 5,000 people whose jobs have been lost.

ASSEMBLYMAN ALBOHN: Then there are other commercial concerns, or other commercial problems, that are causing the difficulty as well, perhaps, as deposit legislation. There is no indication as to how much is attributable to each source?

MR. MARCIANTI: That is a fair statement.

ASSEMBLYMAN MC ENROE: Through the Chair, Mr. Marcianti, you mentioned there was a total of 5,000 jobs lost in New Jersey, due to the changing legislation in other surrounding states. Did you state a figure that you anticipate will be an additional job loss for New Jersey if we, in fact, impose this new legislation?

MR. MARCIANTI: Assemblyman, I don't know what the impact would be in job loss. I know that, based on the affiliation of the glass workers with our organization, where it was 15,000 it is now down to 10,000. I do know that. That is hard fact. Now, Harry, I can't tell you what the number will be as a result of the legislation being passed by this State. What I fear for are those 500, 1,000, 2,000, 3,000 -- I have no way of making that computation. I just don't know. And, I really don't want to sit back and wait to see what the loss is and then come back and tell you, "The loss, Assemblyman, is 3,000." That is what you did to us three years ago, and now we have the hard figures for you. That is what we are trying to avoid.

ASSEMBLYMAN MC ENROE: One other question. Resource recovery is a term we are all familiar with in the State of New Jersey. It is an industry that is beginning. There is going to be great construction opportunity, and it is tied very much to recycling. Mr. Albohn has, I believe, tied that effort to this legislation. How do you see the big picture of waste stream reduction and recycling and this legislation? Do you think resource recovery is a totally different question, or are they tied together?

MR. MARCIANTI: I think they are tied together. I think what we have done in New Jersey with recycling is, we lead the nation. I think we are doing one fine job. I think all of this, from all segments of the society of the State, should be promoting recycling. Those municipalities that have engulfed on local ordinances to require a separation of garbage is something that should have been done a long time ago. We used to do it a long time ago, all over the State. For some reason, all of a sudden we decided the hell with it, and everything goes into one container; that is wrong. We know that if you are going to have pickups, you can separate cans and bottles, the people will do it. If the people know that there are going to be jobs lost, or people are going to be displaced from their work place and put into an inferior work place, they would be happy to cooperate on that. I'm not being naive about it. I think as the world gets smaller, we become more aware of the other person's problem. I don't think it is one of those things that you can't promote. We would certainly dedicate all of our energies to the promotion of that type of approach.

ASSEMBLYMAN MC ENROE: Thank you very much.

ASSEMBLYMAN HOLLENBECK: Thank you, Mr. Marcianti. I think during this whole process, your opinion of those that you represent will be a major impact with reference to this legislation. Thank you, sir.

MR. MARCIANTI: Thank you.

ASSEMBLYMAN HOLLENBECK: The next testifier will be Mary Shield from the Department of Energy and Environmental Protection.

M A R Y T. S H E I L: Good morning, Mr. Chairman and members of the Legislature.

ASSEMBLYMAN HOLLENBECK: Ms. Sheil, in my opinion, you have a lengthy statement. Are you going to paraphrase it?

MS. SHEIL: Okay.

ASSEMBLYMAN HOLLENBECK: The other thing is, is this the official testimony of both departments?

MS. SHEIL: Exactly.

ASSEMBLYMAN HOLLENBECK: All right. This is the official testimony of both departments.

MS. SHEIL: My name is Mary T. Sheil, and I am Administrator of the Office of Recycling. I am here today representing the New Jersey Department of Environmental Protection and the New Jersey Department of Energy. The Office of Recycling is a joint office of both departments and if deposit legislation were enacted, the administration of such legislation would become the responsibility of my office.

I would like to begin by presenting some background on the State Recycling program.

The management of solid waste in New Jersey is a difficult and complex problem. Until recent years, solid waste disposal was a relatively easy and cheap process. We paid for the real cost through expensive water and land pollution control programs. This is changing. The environmental controls that must be imposed to manage waste in a safe environment are expensive, limited the siting and number of facilities, and require the closing of poorly managed and overburdened facilities. In 1970, there were approximately 320 landfill sites; today there are less than 200, and they are rapidly decreasing. This change in the dramatic rise in solid waste management, energy, labor, and equipment costs are straining municipal budgets.

To address this waste management problem, the State has developed plans for a balanced program of materials recovery, energy recovery, and landfills. The materials recovery program is well underway with the adoption of the Recycling Plan in September of 1980, and the enactment of the plan's implementing legislation, the State Recycling Act, in September of 1981. The Recycling Program was developed by a broad-based advisory committee, from government, civic, and environmental organizations as well as representatives from business and industry. The cooperation of this coalition was and is extremely important to the implementation of a comprehensive recycling plan to recover annually, 1.8 million tons of material, or 25% of the municipal waste streams by 1986.

The implementing legislation passed unanimously by the Legislature is a remarkable piece of legislation for several reasons:

Unlike legislation adopted by other states, the Act was designed to discourage a reliance on final disposal. This is the reason underlying the 12¢ per cubic yard surcharge levied on all solid waste disposed of in this State. If you don't landfill some waste, you don't pay.

The intent of the Act is to promote the recovery of all potentially recyclable materials, from asphalt to xerox paper.

The Act has received major endorsements from all the recycling industries in the State that are vital to its successful implementation. These industries have done much to help make the Act work, and we expect this cooperation to extend into the future.

New Jersey is not alone in the severe problems being experienced in the management of solid waste. The problem is nationwide and each state is seeking its own approach to resolving it. None as yet possess as comprehensive a program as New Jersey. But a number have adopted different legislative courses of action such as implementation of deposit legislation. Due to its successful passage in a small number of states, supporters of deposit legislation have been calling for its enactment here in New Jersey.

There is no question that deposit legislation does accomplish the limited objective for which it was designed. In states where a unified state policy on solid waste and recycling does not exist, it is far better to have deposit legislation than to do nothing at all.

However, as far as the Departments are concerned, the arguments for deposit legislation do not carry the same force here in New Jersey as they do in other states. As I understand them, the major justifications for deposit legislation are as follows:

- To eliminate beverage container litter;
- to reduce municipal solid waste costs;
- to conserve energy and natural resources; and
- to foster an expansion of the State's recycling industries.

Let me address each point separately:

Deposit legislation can be an effective anti-litter measure for certain litter materials. Bottles and cans are a very visible and objectionable component of litter. It is easy to understand why people want to see them disappear. If deposit legislation were to be enacted, a lot of bottle and can litter would be removed. However, it should be kept in mind that carbonated and malt beverages, the only ones affected by deposit legislation, constitute only 20% to 30% of all litter, though their concentrations may be higher in such places as recreation areas, such as parks or beaches. While deposit legislation would augment litter control efforts in these places, it is doubtful that it would contribute to an overall lowering of litter control costs since 70% to 80% of litter still remains to be picked up. If it is the intent of the Legislature to clean up litter, a more comprehensive piece of legislation will be needed to address the total problem.

It has been often mentioned that one of the virtues of deposit legislation is that even if a deposit container is discarded as litter, there will always be someone else willing to pick it up for the return deposit. However, it should be pointed out in many places where container litter is a serious problem, especially from glass, the containers are often broken before pickup occurs. Such containers do not have deposit value.

Proponents of deposit legislation often argue for it on the basis that it places a direct financial penalty on the individuals who chose to litter. But the impact of deposit legislation along these lines is narrow. It doesn't penalize the individual for littering, just for certain kinds of littering. There is a strange logic involved in saying you ought to pay for littering if you do it with beer or soda containers, but not if you prefer juice, ice tea, wine, or liquor.

It is asserted that deposit legislation will contribute to reducing municipal solid waste costs. I believe that without further qualifications, this is a misleading statement since deposit legislation only affects about 5% of the total municipal waste stream. It is our experience that a 5% reduction in municipal solid waste will not, in itself, reduce solid waste expenditures where it counts such as through fewer trips to the landfill, running fewer collection trucks, reducing manpower requirements, and so forth. Unfortunately, we have found municipalities supporting deposit legisla-

tion in the belief that it affects a larger fraction of the waste stream than it does and that it will, in fact, painlessly accomplish these savings for them. In reviewing some comments by Connecticut municipal officials on the effect of Connecticut's deposit legislation, it was apparent that many municipalities felt an expansion of the legislation or a more comprehensive program was needed to reduce waste and litter.

The third justification for deposit legislation is that it will contribute to conserving energy and natural resources. As I pointed out earlier, the New Jersey Recycling Act will accomplish these goals to a far greater degree than deposit legislation, since it will affect the entire municipal waste stream.

Finally, deposit legislation is considered a means for expanding the New Jersey recycling industry. However, deposit legislation can only take advantage of existing market conditions and in New Jersey, the market for glass and aluminum containers is improving every year without such legislation. Unlike other recyclable materials, such as paper or steel, the price for glass and aluminum can scrap have remained relatively stable, or have risen over the years. For example, a few years ago, the mill price for glass cullet -- which is the recyclable glass you bring to a glass plant -- was about \$20 per ton, then it went to \$30 per ton, when we were drafting our recycling plan. Now it is possible for a municipality who has a glass recycling program to receive over \$50 per ton for the glass that it recycles. The demand for glass and aluminum is due to nothing more than the recognition on the part of the consuming industries that it makes good economic sense to use them. They want the material, and they are willing to pay for it.

It must be kept in mind, as well, that there is nothing written in deposit legislation stating that the redeemed containers must be recycled. If, for some reason, the market demand for these materials drops below supply, the containers will be dumped. Because of the insensitivity of deposit legislation to market demand, it can be just a different and expensive way to collect beverage containers for landfilling.

It has been suggested that deposit legislation can be instrumental in catalyzing the development of a redemption industry. But again, there is no need to legislate what is already happening. The food retailing industry is already experimenting with recycling redemption industries in the State of New Jersey. For example, Shop Rite and Pathmark in New Jersey are already working with the Garden State Paper Company in redeeming newspapers from patrons in exchange for chits, which can be spent like money in their stores. In California, supermarkets such as Safeway have adopted aluminum buy-back operations very successfully, and there are signs that this practice is expanding in the spread.

Finally, more independent purchasers of glass and metal containers are appearing. Since development of the State recycling program, eight new glass and mult-material redemption operations have opened in New Jersey. This does not include the \$600,000 invested by Owens-Illinois in 1981 to open a glass processing facility in North Bergen that will permit the company to purchase contaminated glass cullet. Alcoa has also invested nearby, in Fairview, in the opening of a major aluminum can recycling facility and has, since October 1981, signed on a large number of can suppliers in New Jersey. National Recycling, a subsidiary of Crown, Cork and Seal, in the process of inaugurating a major effort to develop redemption operations for bi-metal cans in New Jersey. Redemption programs associated with, or independent of, food retailers, are rapidly appearing since the passage of the New Jersey Recycling Act.

In addition, General Engines, a New Jersey construction equipment firm, began developing and manufacturing equipment, specifically designed for multi-material curbside collection programs. This equipment is now being tested in one of our curbside collection programs in the State of the New Jersey. I can tell you from personal experience, having worked as a crew on collecting bottles and cans on that piece of equipment, it works very well.

In addition to the above points, there are others worth mentioning. Primary among them concerns the potential costs to the consumer under deposit legislation. Deposit legislation has permitted payment to the retailer by the distributor of \$.01 or \$.02 per container to defray handling costs. Let's develop a scenario of a \$.01 handling charge for aluminum cans and \$.02 for glass and plastic containers. There are about 46,000 aluminum cans in a ton, 4,000 -- 12 ounce -- bottles, and 10,000 -- 2 liter plastic bottles. At this rate, the per ton handling charges on these materials are \$460 for aluminum, \$80 for glass and \$200 for plastic. What is the relevance of this?

In all cases, the per ton handling costs equal or exceed the market value of the materials. Materials which are only a small portion, about 5% of the waste stream.

On the other hand, a well managed multi-material curbside collection recycling program, where 15% or more of the waste stream is handled, operates at a \$30 to \$40 per ton handling cost. We have one very comprehensive program in the State of New Jersey where over 30% of the municipal waste stream of that community, is collected, processed, and delivered to market at a cost of \$33 per ton. These costs are then offset by the revenues paid to that municipality for the recyclables and savings on waste collection and disposal costs.

Let me make the same point in a different manner concerning the cost to the average individual. Assuming a per person consumption of about 125 bottles of 12 fluid ounces per year -- about 10 bottles a month -- the consumer will pay an additional \$2.50 per year to have the grocer handle his bottles. On the other hand, the New Jersey Recycling Act costs the same person about \$.23 per year to encourage the development of comprehensive recycling programs.

Deposit legislation can have other pronounced, though less obvious, economic effects. There are 16 municipal curbside collection programs for glass -- plus other materials -- in New Jersey, nearly all of them evolving since the adoption of the New Jersey Recycling Plan. This trend is continuing. The reason is very simple. Currently, the market value of glass exceeds its per ton collection cost. The revenues that municipalities receive from their glass sales are used to help pay for the collection of other recyclable materials with lower market values. The loss of the glass and aluminum revenues to these recycling programs will impact on their economic viability. A recent survey by my office of Connecticut curbside programs with glass collections showed an average 40% to 50% drop in glass tonnage after the implementation of their deposit legislation. We think the same effect may happen here, with a detrimental impact on a comprehensive program.

Finally, the state program is a cooperative program between government and industry. If the materials are to be kept out of the landfills, industry must recycle them to produce new products. This applies for recycling performed through deposit legislation, or a comprehensive program such as we have in New Jersey. Industry has agreed to work with us on the development of a comprehensive recycling program -- one that retrieves paper materials, food jars, wine bottles, and other materials. Since

we have strong recycling industries in New Jersey, we plan to use recycling as a solid waste management and industrial development tool. We do not wish to place government and industry in an adversial role where a cooperative effort is so important to success.

Let me conclude by stating, there is nothing wrong with the concept of deposit legislation. If that is your only available waste reduction option, when it should be used. However, it does not make sense to adopt deposit legislation when it would work at serious cross-purposes to an existing legislated course of action. I urge you very strongly to give the Recycling Act the time needed to accomplish its work and industry the opportunity to fulfill its commitment.

You should bear in mind that contained within the Act's provisions is a requirement for the departments to prepare a report to the Legislature by October of 1984. By that time, my office will have accumulated over two years worth of data regarding how well the State Recycling Act is working. It may be that at that point that data may warrant looking more closely at the need for deposit legislation.

Since the implementation of the New Jersey Recycling Plan and the Recycling Act, my office has received numerous inquiries about it from other states, especially those with deposit legislation such as Vermont, Oregon, and Michigan. They have all expressed interest in duplicating what we have accomplished in New Jersey because experience has shown them that something more is needed to tackle the whole range of solid waste issues left untouched by deposit legislation. We are fortunate in having that solution within our grasp. It would be a shame if we blunted its full potential before it had a chance to develop. Thank you.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Ms. Sheil. I have to apologize for the amplification system. Do any members of the Committee have any questions?

ASSEMBLYMAN MC ENROE: Mary, in your presentation you mentioned that the glass bottles and cans result in a 5% figure. That is your figure. It only amounted to 5% of the existing waste stream. Do you arrive at that 5% by considering it from a viewpoint of volume, or from a viewpoint of weight?

MS. SHEIL: By weight. Yes. All of the data we have in our office is based on weight because that is how you would deal with materials.

ASSEMBLYMAN MC ENROE: If it were volume, what do you think it would be?

MS. SHEIL: I don't know that volume number. I can get that for you, but I don't have it today.

ASSEMBLYMAN MC ENROE: Would it be considerably more?

MS. SHEIL: I'm not sure. I would rather not answer that now.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Assemblyman.

ASSEMBLYMAN ALBOHN: I have just one question. You mentioned that the costs of collection by way of deposit legislation approximate a penny or two per container because of the various rebate provisions built into the bills, and you speak of the rather high cost of doing this as compared to by way of recycling. However, I think we are talking about two different segments of the waste stream. On the one hand, you are talking about the segment where the homeowner puts a basket of containers at the curb. Admittedly, the cost for collecting the ton of containers in that fashion is very low. But, what is the cost of collecting a ton of containers by picking it off of the highways?

MS. SHEIL: I don't have a per ton cost on that.

ASSEMBLYMAN ALBOHN: I think you would find, perhaps, that it is very much higher than the recycling cost. That is what deposit legislation seeks to combat. I have no further questions. Thank you.

ASSEMBLYMAN HOLLENBECK: Thank you very much. Next we will hear from Jim Lanard of the New Jersey Environmental Coalition. Jim, we are having problems with the amplification, so could you speak loud enough for everyone to hear?

J I M L A N A R D: Thank you, Mr. Chairman. Mr. Chairman and members of the Committee, my name is Jim Lanard. I am the Legislative Agent for the New Jersey Environmental Lobby, which is a membership organization funded by some of the National and State environmental organizations, and individual memberships.

The following comments address several of the key concepts which the New Jersey Environmental Lobby believes should be included in a beverage container deposit bill. We believe that Assembly Bill 1753, sponsored by Assemblyman Paterniti, reflects the best portion of A-78, sponsored by Assemblyman Albohn, and A-1237, sponsored by Dr. Paterniti. Our comments are consistent with A-1753, which we strongly support.

New Jersey Environmental Lobby strongly supports beverage container legislation. Mandatory deposits on these containers will serve to reduce litter along our highways and in our parks and open space. By removing beverage containers from the waste stream, there will be less demand on landfills, which are filling up at an alarming rate. Energy-intensive and environmentally disruptive activities such as mining the raw materials used in beverage containers will no longer be necessary, since the containers now will be returned to the distributors of the beverages for recycling.

There is little doubt that a "Can and Bottle Bill" will achieve these benefits. Based on experience from the first six states which enacted beverage container deposit laws, we can expect that 90% to 95% of the containers will be returned for the deposit. That means that between 2.7 billion and 2.85 billion containers will be returned each year -- assuming a conservation sales figure of 3 billion containers. It is virtually impossible to conceive of any type of municipal waste reduction program, which could be nearly as successful as a can and bottle deposit law.

New Jersey Environmental Lobby proposes that a minimum deposit of five cents per container be established. As has been stated, 90% to 95% of the containers are returned for deposit. Therefore, 5% to 10% of the containers are never returned. This means that the distributors end up with unclaimed deposits worth from \$7.5 million to \$15 million -- 5% or 10% of the estimated 3 billion sales multiplied by five cents per container. This unearned income benefits the distributors.

The distributors also benefit by receiving deposits from retailers at least five weeks before the retailers present the empty containers to the distributors for their deposits. Therefore, distributors continually have five weeks worth of sales -- or, about 1/10 of a year's worth of deposits -- before any deposit money is returned to the retailers. This amounts to an "interest free loan" of \$15 million for the distributors in New Jersey -- 1/10 of 3 billion sales multiplied by the five cent deposit. Obviously, this money will be invested and earn extra income for the distributors. The distributors have one final source of income -- they sell the empty containers to recyclers. This assumes that the containers are not refilled. The sale of aluminum at \$700 a ton would result in income to distributors of about \$20 million; the sale of glass, steel, and plastic could raise from \$5 to \$10 million.

Since the retailers will be required to handle, store, and sort the empty containers, they should get some compensation. This compensation would be in the form of a handling fee. It would be determined by having the distributor pay the retailer 20% more than the deposits, which the distributor returns to the retailer upon the retailer's return of the empty containers. This handling fee will offset any costs which the retailer might incur, such as hiring an additional employee to receive, sort, and stack empty containers as they are returned to the retailer. Based on a 20% handling fee -- 20% of the five cent deposit equals a handling fee of one cent a container -- retailers in New Jersey would receive \$30 million in handling fees -- 3 billion sales multiplied by one cent.

Distributors could incur an additional transportation expense since their trucks may go out a little less than completely filled -- we predict 90% full -- in order for there to be room for empty containers -- if there are more emptys returned than filled containers sold. This could translate into an increase of about 10% in the number of trips taken by the distributors.

Overall, we predict there will be an increased cost to consumers of from two to four cents per container. Consumers should, however, have an indirect saving since the quantity of municipal solid waste will be reduced, and therefore, garbage collection fees would be reduced accordingly -- or the garbage removal costs will not be increased so much in the future due to reduced quantities. New Jersey Environmental Lobby is not prepared to predict what this savings will be.

It is estimated that beverage containers comprise of 50% of the glass and most of the aluminum which is recycled in municipal recycling programs. A beverage container deposit law would eliminate these materials from the municipal recycling program. It must be noted, however, that under a container deposit law, 90% to 95% of all beverage containers sold in New Jersey would be recycled. We are unable to identify the percentage of beverage containers which are recycled through the municipal programs, but believe we can safely predict that the figure is substantially less than the 90% to 95% figure referred to above. The recycling of plastic beverage containers as required by a "Can and Bottle Bill" will have no impact on municipal programs, since the programs do not include plastic recycling.

A "Can and Bottle Bill" which prohibits the refilling of the beverage containers should not result in the loss of any jobs. New Jersey Environmental Lobby supports the no-refill concept, since we wish to accommodate the concerns of the workers in the glass manufacturing industry, who would fear for their jobs if beverage containers could be refilled. We strongly support an exception for those New Jersey businesses which currently are refilling their beverage containers. It should be stressed that New Jersey Environmental Lobby's position concerning the no-refill concept is a compromise position which we have come to in order to demonstrate our commitment to strong environmental protection laws which are not enacted at the expense of our friends in labor. While New Jersey Environmental Lobby is not convinced that significant job loss would occur, we defer to the representations on this subject by representatives of labor.

New Jersey Environmental Lobby strongly opposes a litter tax which would result in the imposition of a tax on litter-producing products. The tax monies would then go to cleanup campaigns. Litter taxes create no incentive for people to properly dispose -- recycle instead of dumping along our highways or in our parks -- of their waste. The problems of other industry-supported programs such as Keep America Beautiful and the Clean Communities System are described in a booklet entitled,

"A Beverage Container Deposit Law -- the Missing Ingredient in New Jersey's Litter Abatement and Recycling Plans", prepared by Sierra Club.

New Jersey Environmental Lobby believes that a "Can and Bottle Bill" is in the best interest of all of New Jersey's citizens. We would be pleased to consult with members of the Committee and its staff in order to resolve any outstanding questions.

We have developed in A-1753, which is a bill that is a merger of two bills, A-78, sponsored by Mr. Albohn, who is an Assemblyman sitting on this Committee, and A-1237, which is Dr. Paterniti's previous bill. We should state at the outset that we do not support a tax on beverage container deposits, or on beverage containers in any way. We think that it is a regressive tax, and we would not support it. On the other hand, Dr. Paterniti has introduced a new bill. We think taking the best of A-78 -- Assemblyman Albohn's bill -- and the best of his bill, A-1237, merge it into A-1753, and it is a bill that we think everybody in the State of New Jersey can live with. In that bill, there is a provision for a quarter of a cent tax which would be returned to the manufacturers of beverage containers in the event that money isn't used for job displacement. We can't identify any job displace; we don't think that anybody else who has testified either.

We have been told by the AFL-CIO today that there is no real problem with a "no-refill bill", that there would be no loss of sales -- which you are going to be told today -- results when you have any type of deposit legislation. First, the industry tells you there is a loss of jobs because you are refilling the containers. We have taken that argument away. Now they are going to tell you there is a loss of jobs because sales go down. I will admit that I would think there might be a decrease in the growth of sales as a result of this beverage container lull. There is some inconvenience involved. People have to get used to it. Once they get used to it, historically, from the six states that have the bill, the sales begin to go up again. There may be a slow decline. I don't even think there is enough to displace or lay-off workers for even a week before things start going up again, but there may be. That is why we have this quarter of a cent tax. We think they all will be rehired if there is any type of lay-off, which again, we stress would not happen. Mr. Marciani also said he supported the no-refill bill

Mr. Marciani also said he supported the no-refill bill, and said with punch tabs, there would be no loss of jobs in the can industry. Mr. McEnroe asked a question about resource recovery. We think there can be a positive benefit with the can and bottle bill related to resource recovery. By withdrawing from the waste stream, the low BTU value glass, metal, and aluminum -- I am going to exclude plastic for the time being -- we find that the BTU value of the waste that does go to the incinerator increases significantly per ton, because we have taken out the glass, steel, and aluminum that won't combust and won't add any BTU's. Plastics will add some BTU value. It may be that the plastic is not even recycled. Until there is a market for plastic recycling, that plastic could eventually end up in the incinerator, which would then boost it. I don't know the impact of the plastic, but I am sure the DEP could work those figures up for.

As Mary Sheil said, the bottle bill is not the perfect solution. We don't pretend it to be. It is not going to solve all of our litter problems and all of our waste problems, but it will go a long way. It is an essential component of the entire municipal waste issue. I cannot be excluded, simply because we have a good recycling act. It must become a component part of that recycling program.

Thank you very much for this opportunity. We will be glad to respond to questions and work with your staff in the future.

ASSEMBLYMAN HOLLENBECK: Thank you very much. Do any members of the Committee have any questions?

ASSEMBLYWOMAN OGDEN: I just have one question. Do you see a basic conflict between this deposit legislation that is being proposed and the total recycling effort?

MR. LANARD: Absolutely not. I think it is a redherring that industries, and "Keep America Beautiful", and clean community systems are offering as a way out of the bottle bill, and we think it is an irresponsible position to take at this time.

ASSEMBLYMAN HOLLENBECK: Is there anybody else? (no response) Thank you very much, Mr. Lanard. The next witness is Albert Kent from the New Jersey Sierra Club. Remember, there is a list of 40 people. We are only going to go until 4:00, so those who would like to testify, be considerable, because we can get very redundant in this testimony. Mr. Kent.

A L B E R T K E N T: Thank you, Mr. Chairman. My name is Albert Kent. I represent the New Jersey Chapter of the Sierra Club. The Sierra Club is a national conservation organization with about 6,000 members in New Jersey.

I would like to echo Mr. Lanard's words that we do not see a can and bottle deposit bill as a substitute for a recycling program.

The New Jersey Office of Recycling has suggested that about 21% of the municipal waste stream is the potential for recycling of materials. Through a can and bottle deposit bill, we would see 5% of the materials in the municipal waste stream removed directly for recycling. That would be about a quarter of the potential. This quarter of the potential would be reached within one week after a can and bottle bill went into effect, not after one, two, three, four, five, and probably many more years that it would take a state recycling program to get itself anywhere near that 21% potential.

We don't think of the can and bottle bill as a substitute for the recycling program. Towns would be free once the beverage containers were taken out of their municipal waste stream to concentrate on their news print, and the remaining glass in the stream, and any other recyclable materials. We think the negative effect on the operation of municipal programs would be very negligible, if any.

I won't go through our list of 6 or 7 benefits that we expect to come from a can and bottle bill, but I do want to emphasize the litter benefit. The beverage container litter -- as has been stated before -- is the most obnoxious, it is a very high percentage of litter, and it is the most non-degradable. The bottles and cans lie there until somebody picks them up. If they are not picked up, they are there forever.

We are pleased to be able to present to the Committee our report to the Governor and the Legislature entitled, "A Beverage Container Deposit Law - The Missing Ingredient in New Jersey's Litter Abatement and Recycling Plans". There are some dozen or so pages of text in which we review the various aspects of a deposit law, the benefits, and address some of the problems. I will leave that to be read by the Committee in the future, and I will not refer to it now.

In the addenda, however, I would like to mention that we have letters from Governor Ray in Iowa, Governor Brennan in Maine, and Governor Milliken in Michigan. These letters are very supportive of the beverage legislation in those states. In

fact, these Governors are so enthusiastic, they have really exaggerated some of their claims. We don't think they have reduced litter by 90% in Michigan; we think they have reduced beverage container litter by 90% in Michigan.

Mr. Brennan, in Maine, with reference to the popularity of a bottle and can bill, comments that two years after their bill was enacted in Maine, a petition was up to put a repeal referendum on the ballot. This referendum was defeated by 226,000 to 41,000 votes, or a ratio of 5 to 1. It was the most dramatic vote on a referendum in the history of the State of Maine.

In addition, in the addendum to this report are six editorials from New Jersey newspapers, including the Bergen Record, the Newark Star Ledger, and the Asbury Park Press, all of them urging passage of a can and bottle bill.

Also, we refer in the report to a copy of a resolution which we sent over the course of the last year, to every community in the State of New Jersey. We have a list of all of the communities who have passed this, or similar, resolutions. There are 124 of them, and they are still coming in. I received three this week. The towns represented range from about 15 in Bergen County, a dozen or so in Essex and Union Counties, we have towns in South Jersey, Camden County, Mercer County, Burlington County, Atlantic County, and in addition, we have 10 County Boards of Freeholders who have passed resolutions urging passage of a can and bottle bill.

We think this is strong evidence that these towns do not regard a can and bottle bill as destructive to municipal recycling programs. We feel they believe they are necessary parts of whatever recycling programs they have, or intend to have.

I would like to take these in to the Governor, rather than leaving them with this Committee, but, my wife said it should be wrapped up in red ribbon; it would look prettier that way. These are the 124 resolutions from municipal towns, from state towns, and these are the 10 from the County Boards of Freeholders.

There are about 3 additional points I would like to make:

First, we want to express our total opposition to any of the often proposed alternatives to deposit legislation, such as: a litter tax, a Clean Communities program, a Keep America Beautiful program, or other approaches put forth by the beverage industry in an effort to steer the state away from a can and bottle bill. Our opposition is based on the belief that these programs have been largely ineffective in other states and communities. We believe that a can and bottle bill, removing bottles, cans, and broken glass, is the essential first step in dealing with litter. If we pass such a bill, then maybe we can begin to grapple with the rest of the litter - the paper, the plastic film, and so forth.

Incidentally, litter taxes, a tax on various materials that might be found among litter, have been passed by a number of states. They have proved not to be of sufficient size to really do anything with cleaning up litter. They provide no incentive to people for cleaning up litter; in fact, they say go ahead and throw it on the ground, we will send some people around in a couple of weeks to clean it up. These taxes have been considered or passed in California, Colorado, Kentucky, Arkansas, and Connecticut, and repealed in each case. One was rejected in New York State just recently, when Governor Cary signed that state's deposit bill.

Secondly, our Club has agreed that in order to address the problems of the glass industry -- which we think are not all that great-- Incidentally, if we really want to get a handle on those problems, we ought to be asking some questions of the glass industry. I sent out letters to all of the glass firms in New Jersey asking for some information about their employment. Only one answered. That firm sent back

a question of the Sierra Club. They wanted to know how many of our members drank beer, and how many owned stock in Anheuser-Busch, or one of those companies. In any event, I think pertinent questions would be: How many people are actually employed in the glass -- this could be extended to the whole container industry, but I wrote it up as the glass industry -- industry? What percentage of these are employed in making beverage containers? How much of that beverage container production is exported from the State? We are an exporter of glass bottles. What will the effect of a deposit bill be on the workers who actually produce bottles for consumption within the State? Our passage or non-passage of a bottle bill will not effect what happens due to what the New York people did, what the Connecticut people did, and what other states might do, who are in the marketing region of the New Jersey glass producers.

In any event, we think the affect on employees here will be very small. However, because of their great concern, we are willing to support a provision banning the refilling of containers. We feel while this concession will result in a lesser saving of energy due to a can and bottle bill, that there will nonetheless be considerable energy savings and that all the other benefits of a can and bottle bill will be achieved.

Finally, we want to thank Assemblywoman Brown for her interest in deposit legislation; and Assemblyman Albohn for his very enthusiastic support and his introduction of A-78, which environmentalists participated in formulating back in its previous incarnation in the last session; and we want to thank Assemblyman Paterniti, whose A-1753 was more recently prepared with the assistance of environmental friends. We note that A-1753 is a close relative of A-78 and is the formulation now favored by our organization.

We thank you very much for the opportunity to speak.

ASSEMBLYMAN HOLLENBECK: Thank you, Mr. Kent. Are there any questions from the Committee? (no response) Thank you very much, Mr. Kent. Our next witness is Joe Vanpool from the Glass Bottle Blowers Association.

J O S E P H E. V A N P O O L: Thank you, Mr. Chairman. Unfortunately, my testimony is not going to sound much like the rest. I am the Legislative Director for the Glass Bottle Blowers Association. My first 23 years in this industry was spent in the factory forming the glass bottles that we are talking about this morning. In leaving the factory, I became an executive office with the Glass Bottle Blowers. My first area of responsibility was the servicing of the local unions in Northern California, Oregon, and Washington. I received a first phone call - by the way, Oregon was the first to implement such a bill, back in 1972 -- from the company. They said, Joe, the initial lay-off is going to run at least 160 people. As a result of the implementation, two machines were removed from that plant. They are not there today. Before we get one year into the bill, the pipelines are full and two more machines go down. The information as I received it went like this: Joe, tell those people to seek employment elsewhere. We have to consider these lay-offs as permanent.

We have done this in the State of Oregon for the purpose of litter. Did it work? Check the Department of Highways in the State of Oregon today. They will show you today that they are spending as much money on litter pickup as they were the year before the bill went into effect. And two out of the last four years, Oregon has tried to double the amount of deposit. Does that indicate to me or to you that the bill is working? It caused them to pass what we call the

the "Dirty Bottle Bill", which makes it more difficult now for the housewife, or that person picking up the bottles to return them. They must be clean now. Not only that, but they also put a limit on the number of containers that can be returned. You can buy and pay a deposit on \$20.00 worth if you want to, but, by golly, you are only going to bring back 96 at a time. If you want to bring back 96 more, you wait until tomorrow. This has discouraged your litter pickup along the highways.

Let me suggest to you why the highways are clean: I have traveled Interstate 5 and Highway 101 a dozen times. I have yet to go up either one of those highways that I didn't find the green litter bags deposited about every 750 yards. Then, a truck follows behind them and picks up those litter bags. I think the only change in that procedure is the green bags are no longer green, I understand they are purchasing white bags in Oregon. This is the way the bill is working there.

Check recycling in Oregon. You will find that the number of centers there, today, are less than they were when the bill was implemented. Then, go into Washington. Look at the recycling in that state, and you will see that there is an increase, constantly, and pouring millions into the money stream of that state, employing today over 6,000 new jobs. Then we go to Michigan. Did it help the litter in Michigan? I'll tell you, the one place that we have there that did employ a steady 900 people is now employing a steady 300 people. The job losses in Indiana, and Illinois, and Ohio, that supplied that market, was well over 1,000. I am only talking about the glass industry. I'm not talking about the can plant in Yakomo, Washington, or the can plant in Seattle, that closed their doors the day the bill was passed. Those plants are down today.

We talk about Connecticut. The question was asked: If we don't refill that bottle, does it cost us jobs? In New Jersey, you are doing nothing new that hasn't been done, and one of the 2,100 attempts prior to this to find the perfect solution, and you ask the question: Does it cost us jobs if the bottle is not refilled? For your information, ladies and gentlemen, Connecticut has such a bill. The Connecticut bill is not a refillable. You return the bottle, you recover your deposit, you throw the container away, or you recycle it. As a result, of Maine, Vermont, and Connecticut, there are over 530 jobs lost today out of the one Connecticut plant. The plant in Mansfield, Massachusetts has closed the doors of a plant that is only six years old. The Coventry Rhode Island plant is down forever.

Now ask me if that kind of bill costs jobs. My answer to you is, very definitely. Was any time that you increase the principal product as much as -- God rest her sole -- Governor Grosso expressed. When she threw her first party after she signed the bill, she needed 1,000 cases for the 4th of July. She drove to New York to get those 1,000 cases, because she did not want to leave \$1,200 on deposit or pay the additional cost of the product. I think that is the best testimonial that we can get right here today on how they work.

What has it done to the State of New Jersey? New Jersey has 3.3% of the total population, and at one time, was producing 20% of the total container market. You bet your boots you were exporting. Every time a bill was passed, you exported jobs.

In 1979 you had 8,400 employees working in glass container plants in this State. This is from our dues paying records. These are not figures from some do-gooder's society that is going to give you estimates. They paid dues last

month, in June, on 5,800 jobs. Coming down from 8,400 to 5,800, you tell me where the jobs have gone. You haven't passed the bill yet. Wait until you see the impact on New York. New York has 4 glass factories under our jurisdiction. You supply the New York market. It is going to cost you the thousand or so jobs when New York implements their bill. It is like Hitler sells. Now, in the State of New Jersey, you want to pass another one. I could tell you, if averages worked out, if you are average to the rest of the people in this country, you are looking at another 935 jobs.

Now that we have talked about the loss of jobs, we have not yet considered the 100 people that are here today, from our glass factory. I would just like for one minute to go into the kind of jobs that we are talking about. Someone said -- I won't mention his name, I don't want to give him the notoriety -- that the people in this state might be happy to see those 3,000 minimum wage jobs. I don't know where they are. They say they are in Michigan. There has been one person in my 10 years experience that has come forward and said, "I produce those jobs". That was John Peterson Teeny, the manager of Path Centry Markets in Washington or Oregon. You can check it today. But what he didn't tell in Sacramento was most of those jobs were 20 hours a week. Those that were paid were paid for 40 hours a week, still qualified for welfare. Are these the replacements?

Let me tell you about the kind of jobs that these people right in front of you are talking about. The lowest paid job in that plant today pays \$18,000 a year. That rate goes to as high as \$45,000. It doesn't end there. Along with that, their job provides them with \$15,000 worth of life insurance. Double that amount in case of an accident. Those jobs provide them with a full-paid surgical and hospital insurance program. That includes 180 consecutive days in the hospital, all of the bills paid in full, not only for the employee, but for each and every one of his dependents. If that isn't enough, there is a half a million dollar Major Medical insurance to take care of the catastrophic injuries or illnesses of that employee and their dependents.

Just two years ago, we announced to the citizens working in the glass factory in the State of New Jersey, that we have been able, through our efforts and theirs, to now provide them with insurance that protected them from the cradle to the grave. Yes, once you have entered retirement, you have waiting for you, at no cost to you or to your spouse, \$100,000 of Major Medical Insurance that takes care of what--

ASSEMBLYMAN HOLLENBECK: (Interrupting) Mr. Vanpool, you are well off the bill. Now you are talking about the individual benefits. Please stick to the bill.

MR. VANPOOL: Sir, I am talking specifically to the point.

ASSEMBLYMAN HOLLENBECK: No you're not. You are talking from "moon to tomb" on insurance.

MR. VANPOOL: No, I am talking about the jobs that you are asking these people to give up if you vote for a deposit bill. These jobs are important. If you can talk about the \$3.45 an hour job--

ASSEMBLYMAN HOLLENBECK: (Interrupting) We are well aware of the impact of the loss of jobs. I am saying, stick to the bill. We don't want to ramble off on the benefits of your union. We are sure they are very good.

MR. VANPOOL: I have to ramble off on the benefits of these people's benefits.

ASSEMBLYMAN HOLLENBECK: If you are testifying to us, please stick to the bill.

MR. VANPOOL: I am, and they also testified to you, and you accepted this testimony that in full, a replacement job for the one that I am describing here, would pay them \$3.45 an hour. You accepted that in total. Do you know why? Because that is all they are going to receive. You need to know now what all of these people are going to lose. We are talking about jobs. We are not talking about only their income, we are talking about their lives - their future. This is what you are wiping out. This is what you are taking away from these people. Let me ask the Committee, if this was a law that took your job away from you with those benefits, would you vote for it? Or, if this was one of the environmentalists that would put these people on welfare, like you have suggested they go to, would they be encouraging you to pass the bill? I would suggest to you that you could only give me one answer, and when I hear that answer, I would ask of you, if you can't do it to yourself, please consider what you might be doing to these people here. If they lose their job and may get sick, you know what a day in the hospital costs.

We know there are going to be jobs lost, because one of your bills would suggest retraining. Retraining for what, unemployment, or welfare? That is illustrated. We have almost 3,000 employees right now in the State of New Jersey that are looking for jobs. If those jobs were available for those retrained people, then they would certainly be available to these people that are presently unemployed. I would suggest to you, once you have them fully qualified in any job in the State of New Jersey, with your unemployment that exceeds 10%, once they are fully qualified, there is no place to go. There are no jobs for them because 10% of your people today are looking for those jobs.

I don't like to get emotional, but when we talk about an issue as important as this is, not to you, but to the person we are talking about, has he or she ever been considered? When we talk about taking a job away from you, I am looking at you in the face. It is your job. These are the people that we want to consider. At least we are trading. We are not trading your job or mine, we are trading something that we don't have. We are trading theirs. I think we need to ask those people, are you willing to give them up? The results, when you are through, you have paid all of the price that you have been asked to pay. When we are through, what happens? The person that threw the bottle, the can, or the other litter on the highway, is still out there to litter tomorrow. If you make them a victim by association because they made the bottle, then do we go to the retailer because you sold the bottle, and then to the filler because they fill the bottle? Where does it stop. I suggest to you, there is a better answer. You are working toward that in the State of New Jersey. Someone mentioned to you that California repealed their recycling act. If they did, they have done it since yesterday afternoon. That is not so. That one had a sunset on it. It was extended. When they make testimony before this Committee, it is very important that the facts are straight because, again, Mr. Chairman and Committee, in closing, we are dealing with other people's property. Please, handle it like you would your own. There is no recovery from a deposit system. Connecticut is a classic example. Today, their litter pickup is double what it was the year before the bill went in to effect. I submit that to you, Mr. Chairman, as evidence.

Before we pass legislation of this nature, be real careful, be real sure, because it is an irreversible trend that could leave this state and these people into dire distress for many years. Thank you for the time. If I have upset you in any way, Mr. Chairman, I will apologize for that. I have said nothing that I didn't want to say, and if you had left me alone, I would have said a hell of a lot more. Thank you.

ASSEMBLYMAN HOLLENBECK: Our next witness is Floyd Flexon from Owens-Illinois.

FLOYD DAVID FLEXON: Mr. Chairman and members of the Committee, my name is Floyd David Flexon. I am Manager of Public Affairs for Owens-Illinois, Inc. Owens-Illinois is a diversified container manufacturer, primarily of plastic and glass containers, and corrugated boxes. We are the leading manufacturer of glass containers in the world, and we employ more than 45,000 persons in the 27 states in which we operate facilities.

In the State of New Jersey, we have 10 manufacturing facilities employing in excess of 4,000 persons with a payroll exceeding \$104,000,000 per year. These facilities purchase in excess of \$197,000,000 in goods and services, and pay in excess of \$8,700,000 in State and local taxes.

Owens-Illinois is unalterably opposed to any legislative proposal which would force deposits on soft drink and beer containers.

Proponents of restrictive packaging legislation have by now a familiar list of benefits which they claim occur under these proposals: reduced litter, reduced solid waste, reduced energy and raw materials consumption, lower prices and increased employment. This Committee is faced with the difficult task of examining these utopian claims in light of the economic reality of the affected industries to determine whether the potential benefit generated under such legislation are worth the costs in economic and social values. We think not.

The first claim of proponents is that forced deposits will largely eliminate or at least significantly reduce litter. That simply is not so. An important distinction must be made between total litter and beverage related litter. According to the Institute for Applied Research, beverage related litter account for no more than 16% of rural highway litter and less than 5% of urban street litter. Therefore, even if forced deposits removed all beverage cans, bottles, caps and pull tabs from the litter stream, some 84% to 95% of litter would remain.

Studies in three "forced deposit law" states -- Oregon, Vermont, and Michigan, confirm these facts:

One year after the law took effect in Oregon, the State's own official litter study revealed that roadside litter was reduced by only 10.6%. Urban residential litter was reduced by only 1%.

Two years after the Vermont law became effective, the U.S. Environmental Protection Agency reports litter was reduced only 14.6%.

Michigan, the first urban industrial state to pass a forced deposit law, produced the most striking statistics. The State Legislative Committee discovered that even though beverage litter was reduced, total litter increased by 10% during the first year of the law.

Claims that cleaner highways result from forced deposit legislation are somewhat correct. Ironically, one of the major reasons for this result is the significant increase in litter pick-up expenditures after the passage of forced deposits, as reported by the states of Michigan, Connecticut, and Oregon.

We believe that a better approach is to address all litter rather than to simultaneously through forced deposit legislation create extensive economic disruption while placing a hidden tax on consumers.

Solid Waste - forced deposit proponents argue that enactment of such a law would significantly reduce solid waste and help conserve resources. The latest report on the deposit issue by the U.S. General Accounting Office projects a reduction of solid waste of 3% to 4% if a national law were implemented. After an exhaustive two year study,

former President Carter's Resource Conservation Committee concluded forced deposits would reduce solid waste by 2%. U.S. Environmental Protection Agency estimates beverage cans and bottles approximate 5% to 6% of total solid waste.

Our chief point here is there are much more comprehensive approaches to remove as much as 25% of the waste stream -- the goal of the New Jersey Recycling Act -- can be achieved without the devasting effects of forced deposits.

Prices - there can be no doubt that prices on beverages increase approximately \$1.00 per case after forced deposit legislation. This has been confirmed in price survey after price survey. We have to admit that pricing is complicated, however, predictable from economic analysis. I would be happy to provide this Committee with complete and detailed reports at your request if there is any question on this issue.

With approximatley 146,000,000 cases of beer and soft drinks consumed by New Jersey residents each year, the hidden tax to New Jersey residents will be \$146,000,000 each year.

Jobs - proponents attempt to minimize job loss in container manufacturing and instead rationalize the creation of new jobs. Usually they point to the U.S. Government Accounting Office assessment of Michigan which shows a net job increase of 4,648 full and part-time jobs. This number assumes only 240 jobs lost -- ignoring industry claims of 963 -- and is based entirely on extrapolated assessment, there is no actual data. Then further assuming that "no store operates on the honor system and that no retail store has any slack time to handle returns with existing employees". We find this type of reasoning unacceptable.

The State of Connecticut, because of their concern on the job issue, included a worker's dislocation fund in their forced deposit bill and allocated \$85,000 for the first year. Over 500 workers qualified the first year that temporarily or permanently lost their job due to forced deposits. After expending \$552,000 in the first year and still increasing, Connecticut rescinded this provision. During the floor debate to remove this fund, one Assemblyman argued this was costing the State \$1,000 to \$2,000 per day. There can be no doubt that the minimum wage, part-time jobs hardly compensate for the high-skilled head of household jobs that are lost.

Energy - proponents of restrictive container legislation make many claims that such legislation would generate dramatic energy savings. These claims are, at best, theoretical and, at worst, totally disregard the realities of the container industry. What we do know is that the consumption of oil, gasoline and diesel fuel is going to increase from 25% to 33% per case based on empirical experience in deposit states. Furthermore, there has never been a comparative analysis of the potential energy savings of a comprehensive recycling act such as New Jersey's -- which aims at 25% of all solid waste -- with the potential savings of forced deposit legislation.

Owens-Illinois readily agrees that reduction of litter solid waste, conserving energy, and creating jobs are laudable goals. We argue that the economic impact on industry, the additional costs to retailers, the job loss, and finally the hidden tax of \$146,000,000 to consumers in this State does not justify the forced deposit approach. Owens-Illinois recognizes the concern for the above problems, we object to the solution. We have been actively supportive of alternative approaches which have included viable recycling and comprehensive litter control programs. Owens-Illinois has been particularly supportive of these types of measures in the State of New Jersey. Let me elaborate:

Owens-Illinois' Bridgeton New Jersey Glass Container Plant was the first in the country to purchase recycled glass containers from the public back in 1968. It was shortly joined by our North Bergen, New Jersey Plant in 1970, and since time, we

have continuously provided a growing and more attractive recycled glass market.

Owens-Illinois participated greatly in the development of a New Jersey Master Energy Plan in which comprehensive recycling in the State was first planned. I personally served on the New Jersey Advisory Board on Recycling, chairing a sub-committee and serving on the Executive Committee. This three year effort resulted in the recommendations which was implemented into the Landmark New Jersey Recycling Act, the most innovative and ambitious recycling program of the country. Owens-Illinois has responded to this program by committing to the State of New Jersey to provide a market for 200,000 tons of recycled glass per year. To meet this commitment, O-I has expanded over \$600,000 to build a glass processing center at our North Bergen Glass Container Plant to make glass recycling more convenient to the public. This facility opened December 8, 1981. In South Jersey, we entered into a \$150,000 loan agreement with a private recycler to provide processing capacity in that sector of the State. In addition, we have accelerated our pricing policy, and so far in 1982, North Bergen has increased its recycled glass purchase by 600% over last year. This glass has originated almost entirely from within the State of New Jersey with a small percentage originating from New York City. We have on-going programs to sustain and increase our involvement. Presently, we are negotiating to provide equipment and technical assistance for several private sector recycling businesses in the State, and we hope to expand this program soon.

New Jersey has the large concentration of glass manufacturing in the United States. The historical roots of the glass labor and industry originate from this State. We produce the most economical and highest quality glass containers in the world. Believe me, it was not an insidious plot which lead to the production of one-way glass containers. Rather, it was the economic pressure and consumer preference which lead to this decision. We believe that in the State of New Jersey that the opportunity exists to form a unique partnership between the public and private sectors to solve the problems which give rise to forced deposit legislation. The passage of forced deposit legislation in the State of New York will have devastating effects on both Owens-Illinois and the glass industry, here in New Jersey, the extent of which have yet to feel. We believe it would be unjust for the State, after reviewing our commitment and our importance to the State economy, to impose the burden of this restrictive legislation.

We ask the Committee to work with us in pursuing the goals of the New Jersey Recycling Act. We believe that together, we can achieve more comprehensive and lasting goals without economic devastation of forced deposits. To these goals, Owens-Illinois is totally committed.

ASSEMBLYMAN HOLLENBECK: Mr. Flexon, thank you very much. Are there any questions?

ASSEMBLYWOMAN OGDEN: Mr. Flexon, I would like to ask, how many bottle containers do you produce in New Jersey? What has been the trend over the past decade?

MR. FLEXON: How many we have produced in the State of New Jersey? Owens-Illinois alone, of the glass industry, the last figures I recall is somewhere in the neighborhood of 25 million containers per day. I'm sorry, 2 million containers per day. I could work that out quickly.

ASSEMBLYWOMAN OGDEN: Has that been increasing in the past ten years, or is it stable or decreasing?

MR. FLEXON: The pattern over ten years is that increased dramatically for the first part of this decade, and has decreased somewhat over the last three years.

ASSEMBLYMAN HOLLENBECK: How many plastic containers do you make in the State of New Jersey?

MR. FLEXON: I do not have a figure, but we do manufacture plastic containers in the State.

ASSEMBLYMAN HOLLENBECK: Dealing with your area of recycling glass, when you put in your recycling effort, you are a major recycler of glass, that recycling effort and your purchase back of the glass in the form of cullet, how many jobs does that cost your particular industry, that change to recycling?

MR. FLEXON: The change to recycling alone, and particularly in this free market situation that we enjoy in New Jersey, has created additional jobs. Specifically on our plants, we are not talking about too many, perhaps 2 to 5 per processing facility. In terms of the types of things it has created out in the private sector in terms of new companies, Recycling Enterprises, Glass Cycles, Inc., there has been a great number of jobs created in this State. I would imagine it is near 100 in the last year just because of glass recycling.

ASSEMBLYMAN HOLLENBECK: Then we are saying that the recycling of glass has had little impact on your industry, or at least your particular company, since you have gone into the recycling effort? We are not talking about returnables and re-refillables, we are talking about recycling glasses that has very little impact, as far as employment.

MR. FLEXON: In our particular industry, it has impact on us. It reduces the air emissions as we use more cullet as a percentage of our batch. It reduces the energy required to make a bottle. It has very positive effects in terms of cost. In terms of jobs, that is the only question. It is more in the industries directly beneath us--

ASSEMBLYMAN HOLLENBECK; (interrupting) So, it is correct to assume that the recycling of the beverage containers, the glass containers, to your particular industry, has had a positive effect.

MR. FLEXON: That is true. I have to make sure that we both understand that. Without deposits, as soon as we put the deposit and force the deposits through, chasing a legislative nickel or dime, or whatever, through the distribution system, those costs increase. The consumption of beverage, beer, and soft drink goes down. There is a change in the container market mix, which has a great deal of influence on us. As you can see from the reports, it is extremely complicated. That kind of recycling has put very negative economic effects on us.

ASSEMBLYMAN HOLLENBECK: You are saying that because of the deposit itself, and the mechanics of handling the deposit, it would have a negative effect?

MR. FLEXON: It would have a negative effect on the whole industry, therefore, our industry. When a container that is worth less than a nickel starts chasing through the whole distribution system backwards, that labor involved, and the accounting involved, and etc., the additional space, the additional trucks, etc., it has a very negative impact on our industry.

ASSEMBLYMAN HOLLENBECK: You are involved in that now. You do that now, and that was positive. Why, if it was increased, would it become negative?

MR. FLEXON: If the question you are asking is merely the purchase of cullet -- recycled glass by our industry -- that by itself is very positive done under free market principles. Again, it is positive. As soon as the recycling is generated by forcing deposits, forcing beverage containers through the system, number one, the production of glass containers-- There are switches. There are switches in the market

place to different types of containers, there is a decline in the amount of sales done, there are switches to on-premise consumption rather than off-premise consumption, and etc.

ASSEMBLYMAN HOLLENBECK: Okay. Assemblyman McEnroe?

ASSEMBLYMAN MC ENROE: Yes. I have one question, Mr. Chairman. If deposit legislation becomes law in New Jersey, how would you characterize the relationship your company -- Owens-Illinois -- will then have with the unions that represent the workers? Have you had a good relationship? You had a contract every year. Would this cause chaos in the market? Other than the loss and your suggested loss of jobs, would it create a great problem in your company?

MR. FLEXON: Plant closings always cause a great deal of problems for everybody. Layoffs also create a great deal of problems.

ASSEMBLYMAN MC ENROE: So you absolutely assure us that there would be a considerable loss of jobs within your own particular company?

MR. FLEXON: That is true.

ASSEMBLYMAN MC ENROE: If that did happen, do you think you would have continuing strikes and continuing chaos in your relationship with your employees?

MR. FLEXON: You are asking a difficult question. We prided ourselves in having excellent union relations. We feel that is one of the reasons we are an extremely competitive glass container manufacturer. I think for the entire glass industry, not just Owens-Illinois, both the union and the companies would face problems and there could be some strife involved in it.

ASSEMBLYMAN MC ENROE: Do you think that would have an additional impact on the market, the cost of the bottle, the cost of the beverage?

MR. FLEXON: There would be cost associated with idle manufacturing capacity. In some places through the State or through the system, Owens-Illinois would have to absorb costs, the State would have costs in terms of those workers unemployed. Somewhere through the system, someone is going to have to absorb that, that is true. There will be social and economic costs.

ASSEMBLYWOMAN OGDEN: I just have one quick question. The 2 million bottles a day that you produce, do you know what percentage are exported out of the State?

MR. FLEXON: I have figures that I have put together that are somewhere in excess of 50%. By the next hearing, I will try to have that more specific. I will try to have that for you by the next hearing.

ASSEMBLYMAN ALBOHN: Along the same line, approximately what percentage of the bottles you manufacture would be covered by this legislation, in other words, soft drink and beer bottles versus Mazola oil, or whiskey or wine, or whatever?

MR. FLEXON: In the case of Owens-Illinois's present production rate right now, in the State of New Jersey, that would cover something in excess of 83% of our production. I don't want to mislead you. The relation of beverage containers to non-beverage containers is somewhere between 55 or a little bit higher, perhaps, of the total production. Our particular industry, because of the kind of technology we have, we have an institute of beverage containers.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Mr. Flexon. Our next witness is George Solyak of Thatcher Glass Company. He will be the last testifier this morning.

G E O R G E D. S O L Y A K: Good morning. My name is George Solyak, and I am the Personnel Manager of the Thatcher Glass Corporation, Wharton, New Jersey facility. Mr. Chairman and the Committee, as you are all aware, we are here discussing the bottle bills. I do not pretend to be an expert at testifying at hearings such as this, so please bear with me.

There are currently a number of proposals in the New Jersey State Assembly supporting legislation to enact a bottle bill in this State. These proposed bills are A-78, A-182, A-533, A-1180, A-1237, and A-1671. Thatcher Glass Corporation, both union and management, are strongly opposed to these proposals as it could affect each and every one of our employees. Thatcher Glass Corporation currently employs close to 900 people, and is located in Wharton, New Jersey. These bills will not only affect their employment, but will also affect each and every one of us as consumers. We firmly believe and can support that mandatory beverage container deposit laws are not the answer to our litter problem.

The goal of forced deposits is primarily to attack the current litter problem, however, this strategy is a long way from being successful. First, container legislation only attacks a small portion of the total litter makeup. It concentrates on bottles and cans, which represent only 20% of all litter; it does nothing to solve the problem of newspapers, plastics, paper, food wrappings, cups, cigarettes, candy wrappers, tires, and much more. Even if deposit laws could eliminate all can and bottle litter, and they can't, there would still be 80% of the litter left of which nothing is being done -- I heard a statement earlier by Mr. Paterniti that, in the states which have passed bottle and can legislation, it has cleared up 85% of bottle and can litter. That sounds like a good statement - 85% of bottle and can litter -- but what are we doing? We are cleaning up 85% of 20%. What are we doing about the rest of it? Let's take a look at that.

A perfect example of this is the State of Michigan which enacted a bottle bill in 1978. Michigan has had a continuing increase in the amount of litter up to this day. A press release from the Michigan Department of Transportation in September, 1981, stated that "piles of trash grew to overwhelming proportions this summer at rest areas and roadside parks across the State. This may be the worst year ever." Other states with deposit bills, Maine, Vermont, and Connecticut, also experienced increases in litter resulting in increased expenditures for litter cleanup.

Mandatory deposits will have an effect on each and every one of us as consumers, as it will increase the prices of all beer and beverages. This price increase will not only be the 5¢ to 10¢ per bottle deposit, which will become required but will include other hidden costs. These costs will include costs passed on to the consumer by bottlers and retailers who will now have to transport and store the returned containers and hire additional personnel to handle the increased workload. States which have enacted the deposit laws have already experienced increased costs. In Michigan for example, the Lansing State Journal stated, "beer prices are \$2.00 to \$3.00 a case more expensive, not including the deposit." This has also been experienced in the states of Connecticut and Iowa, which have deposit laws.

The forced deposits will have a detrimental effect on American workers as many of them could lose their jobs. States which have enacted deposit laws have already proven this to be true. Michigan has reported close to 800 men and women lost their jobs as a result of deposit regulations. Connecticut, another deposit state, had a special compensation allowance for those put out of work due to this regulation. This program was soon abandoned as it became too expensive to maintain. The number of jobs lost turned out to be greater than anticipated -- approximately 550.

The people being put out of work are skilled workers who may be the prime wage earner -- head of household -- in their family. Those in favor of the deposit bills argue that jobs will be created; however, these positions will be low paying, menial, dead-end jobs. These positions are a long way off from compensating the skilled, highly paid, individuals who will suffer.

New Jersey may suffer more from forced deposit bills as the container industry is a substantial part of the state's economy. In this area alone, there is Thatcher Glass Corporation and two Owens-Illinois Glass container plants with a total of eight glass container plants in the state. Thatcher Glass Corporation itself has a payroll of \$16 million per year and pays over one half million dollars in taxes per year. There is also a substantial number of can and plastic container manufacturers. Each and every one of these manufacturers could be adversely affected by the deposit bill. The reason for this is that container manufacturing plants will be forced to curtail production as the demand for new containers declines.

Does deposit legislation, which only addresses a small portion of litter and does not completely clean up that portion, substantiate the loss of high paying jobs? Common sense says this is not the answer.

Let us not ignore another problem that has occurred due to the passing of forced deposits. This is the potential health risks which may arise. Recently, I have spoken to several retailers who have shown great concern regarding this subject. The individual grocers and tavern owners are not set up to handle the influx of used beverage containers. The storage of dirty and contaminated containers presents the ideal atmosphere to attract rodents and insects. The new-found homes for these pests definitely presents an unarguable fact that a health hazard is present.

The result of this is the grocer, tavern owner, and your Mom and Pop store around the corner from you, have to now hire and finance a pest control service. This will present extra cost to them which could be passed on to all of us as consumers.

As an example of this is Michigan: The Michigan Department of Agriculture stated that Michigan grocers spent \$2.7 million more in 1980 for pest control services in 1978, the year before the deposit law went into effect. Other states with container laws have had similar experiences.

I am quite confident that any tavern owner, grocer, or Mom and Pop store owner questioned will state strong opposition to the deposit laws.

There is a better answer to the litter problem than the deposit bills. This is the answer that will:

1. Get more solid waste out of our continually dwindling number of landfills.
2. Attack all litter; paper, candy wrappings, tires, plastic cups, and much, much more.
3. Create jobs.
4. Bring in additional revenue for the counties and municipalities.
5. Save energy.

The answer is the New Jersey Recycling Act which was signed into law on September 9, 1981 and went into effect January 1, 1982. This law passed both houses of the Legislature without a dissenting vote.

The New Jersey Recycling Act is administered by the New Jersey Office of Recycling and is funded by a minimal landfill fee which will sunset on December 1, 1986.

The fee is 12¢ per cubic yard for the first 4 years, and 6¢ in 1986. This will be paid by all users of the New Jersey landfills, including those from out-of-state.

Here is an interesting point: Currently, New Jersey is recycling 32 pounds per person. That is the highest in the country right now. The closest to us right now is California. I think we are off to a good start right there.

Thatcher Glass itself, on recycling, we have what we call a bottle redemption every Thursday. It runs from 12:00 to 4:00. We have numbers of local groups bringing in containers. An excess of 10 tons that is going to be brought in can be brought in at any time. We are committed to the recycling program.

Approximately \$5 million will be generated through 1985 and \$3 million in 1986. This revenue will be allocated as follows:

45% will be returned to local jurisdictions as recycling grants based upon tonnage of material recycled.

20% will be used for loans and loan guarantees to private enterprises for recycling equipment.

20% will be used for planning and implementing recycling programs in counties and municipalities.

15% for promotion and education on recycling, litter abatement, and new market developments.

I am sure that we all agree that the litter and solid waste must be controlled and is a continuing problem. However, why go with a mandatory deposit law that:

- only attacks 20% of the litter
- creates increased costs to consumers
- will result in loss of jobs
- may hinder New Jersey's economic development

Let's attack the entire litter and solid waste problem by allowing the New Jersey Recycling Act to work as an effective alternative to forced deposit legislation. As stated previously, this recycling act will do far more to solve the litter and solid waste problem while not increasing costs to consumers, risking jobs, and wasting energy.

Let us not sit back and see these mandatory deposit bills passed into law, and then experience adverse effects. Let's do it right from the start. Thank you.

ASSEMBLYMAN HOLLENBECK: Assemblyman Albohn?

ASSEMBLYMAN ALBOHN: George, you claim that the recycling act solves the litter problem. How do you justify that statement?

MR. SOLYAK: I'm not claiming that it solves the litter problem, I am saying let's give it a chance to work. We have come a long way in New Jersey, 32 pounds per individual, and the closest to us is California. I'm not saying it is going to solve it right off the bat. Let's give it a chance to work; let's attack all of the litter; let's not just go off to bottles and cans. Let's do it the right way. Take a look at the whole picture.

ASSEMBLYMAN ALBOHN: Any picture is made up of a number of parts. Sometimes you can't take out the whole picture at one time. I think you just said that recycling cannot attack the whole problem at one time. I don't think it can attack the litter problem at all. I am just wondering how you can say that recycling will attack litter at all?

MR. SOLYAK: Respectfully, I disagree with you. Let's work on educating the people. I am relatively young. I can remember when I was younger we had the deposit

bill. They went away rapidly, and then it went to the one-way container. I grew up in a "throw-away" society, you might say. Things are not that way anymore. We have problems with landfills, we have litter problems, we have environmental problems, and things can't be that way anymore. But, let's work on educating those people; let's talk to the people; let's show them where the problem really is.

In the New Jersey Recycling Act, they allot 15% of the money taken in by the New Jersey Recycling Act to be used for litter abatement and new market developments. Let's give that a chance to run. Let's take a look at it.

ASSEMBLYWOMAN OGDEN: Mr. Chairman, possibly Mr. Solyak could just supply the Committee with the information that Owens-Illinois is going to -- along the lines that I asked, in other words--how many bottle containers do you produce a day? What has the trend been in the past 10 years? What percentage do you export? What percentage of your production would be affected by bottle bills?

MR. SOLYAK: Currently, we produce about one million and a half to 1.7 million containers a day? What was the second question? I'm sorry.

ASSEMBLYWOMAN OGDEN: Maybe I could give you this list, and you could send it to the Committee.

MR. SOLYAK: That will be fine.

ASSEMBLYMAN HOLLENBECK: Thank you very much.

MR. SOLYAK: Thank you.

ASSEMBLYMAN HOLLENBECK: Ladies and gentlemen, we are now going to recess for lunch. We are going to try to make it an hour. I have the list of the speakers. We have just passed number 10 of the 40 who have signed up. As I said before, our last speaker will be on at 4:00. I don't care if we only reach number 12 on the list, at 4:00 we will be hearing our last testifier. If you want to see where you are sitting on this list, you are welcome to take a look.

(Recess for lunch)

Afternoon session

ASSEMBLYMAN HOLLENBECK: All right. As I had announced earlier this morning, we will continue with the hearing. At four o'clock, when we've had our last speaker, we'll call an end to the hearings for the day. Just so we have an understanding of the ground rules. We've received testimony from about ten speakers already this morning, and obviously, the list is much longer than that of those who said they wanted to speak today. If anyone has prepared testimony and they find they're on the latter part of the list and they would like to have it on record, if they would present that testimony to us, we'll make sure it goes into the record. It will be part of the transcript for the Legislators to read when they're doing their research in reference to these hearings. Again, I'd like to ask everybody if you can, to accomodate as many people as possible, we want to hear your testimony, but we don't want to get too much redundant testimony. We'd like to hear some new stuff, so if you have something new to tell us, let's hear it because that's what we're looking for.

Sylvia Swanson, representing the Glass Packaging Institute:

S Y L V I A S W A N S O N: Mr. Chairman, members of the Committee: My name is Sylvia Swanson, Regional Legislative Director for the Glass Packaging Institute. I am testifying on behalf of our member companies, which account for more than 85% of the domestic production of glass containers. These plants range in size from one-plant operations to diversified organizations with international sales. In New Jersey the Institute represents the companies of: Anchor Hocking, Ball Corporation, Brockway Glass, Kerr Glass, Midland Glass, Owens-Illinois and Thatcher Glass. They employ approximately 8,480 residents and pay almost \$272,407,420 in salaries.

The glass container industry is opposed to all restrictive packaging legislation including mandatory deposits on beverage containers. We believe such laws impose costs which far outweigh benefits. There are better solutions to the problem of litter, which are less costly, encourage recycling, and do not restrict consumer freedom of choice.

The beverage container industry has observed the negative impact on mandatory deposit laws in six states that are now implementing them. Allow me to review some of our key findings:

Mandatory deposit laws are inflationary. The cost of handling returned containers for the beverage industry is inevitably passed onto consumers. Perhaps the best evidence of the higher prices caused by deposits comes from the mandatory deposit State of Iowa, where the Department of Environmental Quality determined in a 1981 study that Iowa's deposit law had added 20 cents to the cost of six-packs of soda and canned beer, not including the five-cent deposit on each container. These findings were echoed by a story in the August 5, 1980 Des Moines Tribune, which said, and I quote: "The bottle law cost Iowans at least \$20 million during its first year -- and that is a conservative estimate. That \$20 million (\$7.02 for every man, woman, and child in the State) represents costs that can be directly attributed to the (Deposit law).."

Shelf price surveys and news reports from other mandatory deposit states confirm these inflationary impacts. Connecticut is in the throes of a bottle bill, where the average cost of a six-pack of soft drinks increased from \$1.69 to \$1.97 within a few months after implementation of the law, according to an August 31, 1980 story in the Hartford Courant. The price of mandatory deposits

is even higher for Michigan consumers, according to a May 22, 1981 UPI story, which said, "The generic beer advertised for \$4.99 in (non-deposit) Indiana sells for an average of \$10.00 here (in Michigan)." This is a \$3.80 per case inflationary impact, not including the \$1.20 deposit.

Beyond the inflationary impact, deposits have repeatedly failed to solve the broader problems of litter and solid waste. Both Connecticut and Michigan have spent MORE for litter pick-up AFTER the law was implemented than before. According to Rural and Urban Roads, a magazine published for highway and public works officials, Connecticut spent almost \$2 million on litter abatement in 1980, an increase of almost one-half million dollars over 1979 expenditures. (Connecticut implemented its deposit law on January 1, 1980.) The reasons for their lack of financial benefit are obvious; mandatory deposit laws ignore the total litter problem.

Deposit proponents site that the passage of a deposit bill would bring about marked energy savings. These claims are based on groundless predictions on what the market response would be after enactment of deposit laws. The response has differed in each of the six states now enacting the law, but there has been one common thread. To cope with returned containers, more gasoline has been used to deliver the product and to collect the empties. Any savings of coal or natural gas at the container manufacturing level is achieved by the idling of production facilities and consequent loss of jobs.

Predicting whether the net effect on energy usuaage is positive or negative is a lucrative game played by any number of consultants who cannot deliver any definitive answer. A competitive, free-market environment is the best means of ensuring that industry is delivering a product of the greatest efficiency possible.

There are other basic misconceptions about the so-called "Bottle Bill" that need to be corrected. There is a major difference between the bills' intention and what it actually does. These bills are preceived by some as a measure that will bring back the era of the refillable bottle. It does nothing of the kind. The deposit bills do not call for the use of refillable bottles nor reuse or recycling. It merely places a minimum deposit on all existing soft-drink and beer containers, plus a handling charge.

Last year in New Jersey, the Legislature unanimously passed the New Jersey Recycling Plan and Act. The plan's objective is to recycle 25% of municipal solid waste, including paper, glass containers of all types, cans, used motor oil, etc. A parallel objective is the reduction of litter through recycling and a comprehensive litter abatement program. This litter abatement program is just being formulated and will be administered by the New Jersey Office of Recycling and funded by a minimal landfill fee. Under this new law that has encouraged municipalities to recycle glass, our first quarter glass recycling figures were up 23% from the year before. We believe our end of year figures will be even more positive and the New Jersey glass industry strongly encourages you to allow this law to be given time to prove its worth to your state.

For all these reasons, I urge you, on behalf of all our member companies and employees of New Jersey, to reject mandatory deposit legislation, in any form, and instead, support the New Jersey Recycling Law, which uses the forces of a free market system to solve environmental concerns. Thank you.

AUDIENCE: (Applause)

ASSEMBLYMAN HOLLENBECK: Thank you very much for your testimony.

Robert Tygar, Local 225 Glass Bottle Blowers Union.

ROBERT TYGAR: Ladies and gentlemen of the Committee, my testimony is short and I hope different from some of the others. My name is Robert Tygar, President of Local 225 Glass Bottle Blowers Association of the United States and Canada, President of the New Jersey Protective League of Glass Packaging Institute, member of the Beverage Container Task Force, and past President of the New Jersey State Council of the Glass Bottle Blowers Association. I am a journeyman maintenance man, with 14 years experience in Thatcher Glass Manufacturing Corporation located in Wharton, New Jersey.

I have no idea where I will speak on the agenda today, but I am sure you will be informed of many statistics of fact and surveys that have been done in favor of and in opposition to the so-called bottle bills.

I don't intend to burden you with any repetition of this sort, but rather I'm going to speak from first-hand information that I have from consumers and retailers who have been affected by legislation such as proposed in these bills.

We are all aware that the reasoning behind this whole thing is to clean up the environment. Get the bottles and cans off the highway medians, road shoulders and private property. Sure, I live in a community where beer bottles are discarded on my front lawn, where parked automobiles are either sideswiped or rear-ended in the early morning hours and where mailboxes are either beaten down or blown up by cherry bombs or M-80's. But, are we in this room responsible for these acts? I'm sure there is no one here who sits by the T.V. or in their backyards drinking beer or soda and deliberately gets up and takes their empties for a ride to deposit them on their neighbors front lawn.

I had occasion in May 1982 to attend an AFL-CIO conference in Hartford, Connecticut and took advantage of the opportunity to ask some questions about their Bottle Bill. I spoke to at least a dozen people in earnest conversation, and not one was in favor of a deposit bottle bill. An individual liquor store owner said he had to construct a shed against the back of his store and an enclosure to contain the bottles. Any store owner would have to do the same. Another owner of a small deli/liquor store combination had to hire a professional exterminator for the rats that come into his residential neighborhood and took up lodging in his backroom where he had to store returnables. One young couple had never actually seen cockroaches until the empty bottles were stored in the basement of their apartment building for refund.

A young woman had four grocery bags of empty bottles to return. I helped her carry two of the bags into a store only to be told that they would not accept returnables after 7:00 P.M.. She asked me if I thought the 5¢ deposit was worth the aggravation that she was going through. I said, "Well, if it's helping to clean up the environment". She said, "Mister, if you believe that, what are you doing on a Saturday morning? You take a ride out to my neighborhood and see how many beer bottles are thrown out on the lawns. This only adds an inconvenience to the weekly task of grocery shopping and increases the price of the beverages."

On Friday, May 21, 1982 a rock star named Ozzie Osborne was in concert at the Civic Center across from the Hartford Sheraton, where the AFL-CIO conference was held. The next morning the news on television showed the street area around the Center. We're talking about an entire city block, and the street was

so strewn with cans and bottles that the Street Department was using scoop shovels and payloaders to clean up the debris. At 5¢ and 10¢ deposit, there was a lot of money that someone didn't care about.

We invited Art Albohn to our glass plant in Wharton a couple of weeks ago. He spent a couple hours with George Solyak, our Personnel Director and myself. We had quite a discussion on the problem of returnable versus non-returnable bottles, and we took him on a tour of our facility. I got every indication that he was impressed, not only by our operation, but by our people and the standard of living that is maintained not only at Thatcher Glass plants, but by the glass industry as a whole. Thatcher owns six plants located in Elmira, New York; Streator, Illinois; Lawrenceburg, Indiana; Saugus, California; Tampa, Florida and Wharton, New Jersey. We have more glass houses in our State than any other, mainly because the type of sand used in making glass comes from South Jersey. So, you see, when you are introducing legislation that may harm the employment of glass workers, you are going to hurt New Jersey more than any other state.

It is the opinion of those most closely associated with the glass industry that Recycling and Resource Recovery would be the best way to go. Practically all 127 glass container plants in 27 states have a cullet redemption center. We have bottle redemption in our Wharton plant every Thursday. Not only do the towns, but also the civic services such as the Scouts and the Women's Club in Roxbury Township, collect and return the glass.

In Wharton the homeowners separate their recyclable material: paper, glass and cans, and it is collected on different days of the week.

I promised not to burden you with statistics, but one thing I would like to say for the record is, according to a Department of Commerce study, it was projected that 32,000 jobs in can manufacturing, 25,000 in metal and fabrication, and 22,000 in bottle manufacturing would be lost under a National Deposit Law. We don't need anymore loss of jobs in our country. Please keep in mind that the jobs we are talking about are skilled heads of household, high paying jobs.

In conclusion, I will say there are many unforeseen ramifications to a Bottle Bill in New Jersey. A story related at one of our Beverage Container Task Force meetings in Trenton by an airline representative will illustrate what I am talking about. He said that there would be no way his airline would purchase beverages in cans or bottles in Newark Airport and pay a deposit and return the container to Newark for redemption. Do you have any idea of the number of containers purchased in our State that goes through Newark Airport?

I want to express my appreciation for your indulgence and for the opportunity to allow me to air my views on this subject today. Thank you very much.

AUDIENCE: (Applause)

ASSEMBLYMAN HOLLENBECK: Thank you very much, Mr. Tygar.

ASSEMBLYMAN ALBOHN: Bob, you gave some figures that total some 80,000 jobs would be lost under a National Deposit Law.

MR. TYGAR: Would you like to have a copy of where I got that from?

ASSEMBLYMAN ALBOHN: I would, yes, because it sounds like people have stopped drinking.

ASSEMBLYMAN HOLLENBECK: Robert Bell? League of American Wheelman. Robert Bell or Theron Weeks, one or the other? Going once, going twice?

ASSEMBLYMAN HOLLENBECK: Barbara McConnell, N. J. Food Council.

B A R B A R A M C C O N N E L L: Chairman Hollenbeck, Members of the Committee, I appreciate the opportunity to appear before this Committee and to share with you some very critical facts concerning the issue of forced deposit legislation and their potential impact on the retail food industry of our State.

Since 1970, the food industry has been faced with the challenge of responding effectively and responsibly to the issue of forced deposits on beverage containers. Numerous legislative and referendum battles have been fought and decided. The results have been mixed. Some states have gone to deposits, such as New York most recently, but most have not. This is an issue that has been debated extensively in over 2,000 pieces of legislation throughout the country. In the large majority of these legislative sessions, "Bottle Bills" have been rejected.

When one looks carefully at the record, it becomes apparent that those states that have adopted alternative recycling programs are the states that are doing the most comprehensive job of controlling litter and solid waste.

In this instance, New Jersey is leading the nation. On September 9, 1981 the New Jersey Legislature passed unanimously the Recycling Plan and Act, which calls for the recycling of 50% more glass than any bottle bill could possibly accomplish. The plan's objective is to recycle 25% of municipal solid waste including paper, glass containers of all types, cans, used motor oil and food wastes, along with other materials. One year after the passage of this act, the New Jersey Office of Recycling has reported that 400 recycling programs are now operating in over 297 communities.

A recent article in the Newark Star Ledger reports that New Jersey is leading the nation in the amount of glass containers being recycled in our State. Last year's national record breaker of 119,363 tons of glass being recycled -- up from 42 tons in 1978 -- is a statistic that should make all of us who voted for New Jersey's Recycling Plan and Act proud and confident that it is working and is a far better alternative than forced deposits. Experience has shown that in those states where deposit laws are in effect, the results are nowhere near as impressive.

The emotionalism surrounding the issue of forced deposits is hard to ignore; however, the simplistic promises of such legislation is easy to refute.

I can well understand this Committee's concern, and the responsibility you feel toward New Jersey's problem of litter and solid waste. I, too, served in the Legislature and I sponsored a "Bottle Bill", only to be convinced that New Jersey's Recycling Plan and Act was a better alternative and that we should put our energies and efforts behind its success.

It is my hope that throughout the course of these public hearings, those of us who oppose the forced deposit concept will be able to present to you reliable and factual data that will show that our present recycling plan is a "better way" and that deposit legislation would be a costly, disruptive and unworkable solution to litter abatement and solid waste control in our State.

My responsibility here today is to present to you those facts that pertain critically to the retail food industry.

First, let me introduce our association. The New Jersey Food Council is a trade association that represents the retail food stores, including supermarket chains, independent, cooperatives, and convenience stores, as well as the small

"corner" grocery. There are approximately 10,000 food stores in New Jersey, employing nearly 100,000 people.

The retail grocery business is one of the largest industries in New Jersey, generating tax dollars into the hundreds of millions and gross volume well into the billions. Add to this the large labor force, and certainly it becomes clear that any action that adversely impacts the retail grocery business would have a direct and significant effect on our State's economy.

We are opposed to forced deposit legislation because of the cost that would be incurred by our industry and our customers, the inconvenience and disruption to our system of operations, and the inequity such mandatory legislation would place on the retail grocery industry by requiring our stores to become the recycling centers for our State's litter and solid waste.

In theory, deposits seem pretty straightforward. Customers pay a dime or a nickel per container and get it back when they return their empties. But, for everyone involved in the beverage distribution system, deposits have proved costly and cumbersome and ineffective in dealing with litter and solid waste

For beverage distributors, deposits demand two-way trucking. Hence, more trucks, more drivers, more fuel and more warehouse space for increased inventory.

The consumer's "bargain" includes higher beer and soft drink prices, along with limited beverage choice. Sanitation and storage problems in the home add to the general inconvenience. But, the person most affected by forced deposits is the retailer. The attendant costs of deposit legislation have been considerable.

The sources of extra retail handling costs are obvious to everyone, but, it seems, "Bottle Bill" proponents. Bottle and can handling are chores that require extra overtime labor. Building renovations and additions for storage of empties are required. New in-store container handling equipment such as registers, racks, shelving, pallets and storage bins must be purchased. In addition, sanitation and security become real and costly concerns. The costs due to pilferage, fraud, error, double redemptions and breakage, alone, is estimated at \$5,238 per store.

Mandatory deposit legislation will impose new, non-productive costs on New Jersey's food retailers of an estimated \$126 million annually. This figure is based upon a study by Case & Company of Stamford, Connecticut for the Food Marketing Institute entitled, "Cost of Handling Returned Beverage Containers in Supermarkets" and the estimated volume of beverage containers used annually in New Jersey. According to this study, the cost of handling returned containers would be approximately 3.3 cents per container, plus a 10% inflation factor, which would bring the per container cost to 3.6 cents.

Last year, 3,500,000,000 beverage containers were sold in New Jersey. Over 60% were purchased in our State's grocery stores.

One might ask the question, "If your system allows for the selling of this many containers, why won't that same system support the redemption of these containers"? It is true that supermarkets are the final link in the physical flow of food and grocery products from manufacturer to consumers, and they have been designed to handle efficiently this one-way forward flow of product. While the sale of beverages follows this customary product flow, the handling of returned

beverage containers imposes the additional steps of receiving, paying for, sorting, storing, and returning of the used containers. The supermarket has no offsetting savings in its operations against this cost increase. Further, these additional costs are borne by the supermarket that accepts the returned containers from the customer, even though the beverages may have been purchased from another retailer.

Let me analyze some of the costs that would be involved under a return bottle system:

#### LABOR COSTS

One of the largest costs to the grocery retailer is labor. Retailers handle the in-store labor problems three ways: One, they fill up existing employee's slack time with can and bottle handling chores. Two, they can pay overtime, which at one and one-half times an employee's salary base can add up. Three, they can take the ultimate step and hire extra minimum wage employees. Most retailers do some of all three.

Unlike some store employees, bottle and can handlers can't be easily shifted from one store operation to the next. State health rules and/or store policies mandate certain requirements. Retailers are naturally sensitive about having redemption clerks also slicing ham and cheese in the Deli Department, for example.

Can and bottle handlers aren't always minimum wage people, either. At the front end, where many stores set up special counters to take back empties, it's often a cashier-level employee who manages the redemptions.

The job of handling empties becomes extremely labor-intensive when the containers accepted at the front of the store finally make their way to the back room. The empties must be sorted by brand, package type (glass, metal, plastic), and often by package size.

Manpower needed to handle returned beverage containers in one urban area supermarket in Michigan cost \$50,000 -- 40 hours of cashier-clerk time per week, plus Sunday hours, plus stock-clerk time, plus management time.

These costs would be particularly difficult for our smaller stores to absorb. At present, about 40% of all beverages sold in the food industry are sold by our convenience and small "Mom and Pop" operations.

#### STORAGE SPACE

Forced deposits also encroach on a retailer's most valuable commodity, sales space.

In handling empties at the store's front end, a necessary convenience for customers, retailers must convert a sales producing checkout counter to a cost-producing container redemption center. Smaller stores with a single counter have no choice but to let empties and groceries traffic across the same area.

The "opportunity" cost of lost merchandise space at the front end of the store is frequently overlooked, but it's very real. Every square foot of selling space lost to the redemption counter is a drain on store sales and profits; therefore, the retailer has three choices with regard to storage space under a return deposit system: They can give up valuable, productive, front-end space; they can reduce inventory of many grocery items to make way for storage of empties; or they can renovate or add space.

Estimates indicate that a typical supermarket would require between 800 and 1,000 additional square feet for storage of returnable containers. In New

Jersey, that could cost approximately \$25 per square foot, or between \$20,000 and \$25,000 per store.

#### NEGATIVE CASH FLOW

Supermarkets in deposit states are experiencing severe cash flow problems as well.

For consumers, the initial deposit may be innocuous enough. But, the retailer has his own, much less publicized up-front deposit to make to his beverage supplier. A store manager with 1,000 cases on inventory at any one time has effectively put \$1,200 of working money out-of-commission.

Oftentimes, the inventory and the corresponding "float" are much more sizable. For the small store living from day-to-day, even a couple hundred dollars can have a profound impact on cash flow, since the funds often must come directly from the cash register.

In addition, the retailer is required to redeem the containers of any product he carries. This is one of the reasons retailers stock fewer brands in deposit states, thus limiting their customers' selection. They sell two cases of a particular brand and are often required to redeem 40 cases. Supermarkets in some states are redeeming 200 to 300 percent of what they sell. Our industry handles over 2 billion beverage containers per year. If a state deposit law goes into effect with a five-cent deposit, we're talking about an additional \$105 million in deposit costs alone.

#### SANITATION

It was not long ago that public health and government officials were calling for an end to the returnable containers because of the hazardous health conditions they generated.

Federal and state agencies, such as New Jersey Health Department's Office of Consumer Health Services, along with store operators, are spending millions of dollars annually to maintain the most sanitary conditions possible in food stores. A recent study by the Food Marketing Institute estimated that sanitation costs will double in deposit states.

The storage of these cans and bottles in food handling establishments has created increased pest and sanitation problems. An increased use of pesticides and rodenticides is necessary to eliminate the vermin that is attracted to these bottles and cans. Beverage containers come back to the store dirty, disorganized, unsorted by size, material or brand.

Food safety and preservation are elements of our business we take very seriously and bringing trash into our front and back rooms is not the solution to New Jersey's litter problem.

#### CONSUMER COSTS

It is evident that the costs associated with the labor intensive process of forced deposits are substantial. These costs will be passed along to the customer.

Nationwide, soft drinks in forced deposit states increased by an average of \$1 per case over non-deposit states, and beer prices increased by an average of \$1.04 per case.

Noted economists from Harvard and M.I.T. predicted in 1981 that a Massachusetts deposit regulation would cost consumers nearly \$100 million a year, or about \$75 a year for a family of four.

This cost represents a hidden tax that doesn't have to go through the budget process or require proponents to calculate what the cost would be.

According to several studies, which indicate the estimated cost of forced deposits at \$18 per capita, this would translate into a statewide increase in cost to New Jersey residents of \$126 million per year.

The food industry operates on a very low profit margin, which is less than one and one-half percent on the dollar, and yet more than any other industry in this country, we have done the best job of keeping prices down for our customers. In 1981, the overall inflation rate, as measured by the consumer price index, was 10.4%. The rate of increase for food prices rose 7.3%, while consumers were spending 16.7% of their disposal income on food. Forced deposit legislation will only serve to "fan the inflationary flame" at a time when we are doing our best to keep prices down.

#### LOSS OF SALES AND PRODUCT AVAILABILITY

A vast majority of stores in deposit states are taking steps to hold down their costs by reducing the variety of beverages offered to consumers. According to an FMI report, over 62% of the stores surveyed reported that they had dropped a number of brands from their stores. Another 79% indicated they had reduced their variety of packages available. Most significantly, nearly 65% reported that they had both eliminated brands and reduced variety.

The loss of private label or house brands not only hurts the retailer, the manufacturer, and the State of New Jersey in lost revenues, but is particularly harmful to those customers that purchase these brands almost exclusively in order to save money. About 20% of all beverages sold in the supermarket are generics and house brands.

#### CONCLUSION

The National Wildlife Federation said, "The beauty of bottle bills lies in their simplicity." Ask any grocer in any deposit state about this statement, and you'll find that the "Bottle Bill" solution is anything but simple.

Forced to shuttle thousands of containers through their stores is an average day. At an enormous cost to their business and their customers, grocers are being asked to serve as the trash collectors and recycling centers for our states. Not only is this a costly and heavy administrative burden, we think it is simply unjust.

New Jersey has in place a comprehensive recycling program that has shown every sign of success. I am confident that we can continue to make it work and that we can continue to lead the nation in our recycling efforts under this plan. One of the reasons for its success is the fact that business, industry, labor and many organizations have joined in partnership with the Office of Recycling to ensure that the Legislature's plan is carried out and that the program will live up to its promise and expectations.

The New Jersey Food Council has joined in this partnership. Recognizing that we have tremendous access to the public throughout food stores, the Food Industry Task Force on Recycling is implementing a consumer awareness and education program in its stores through the use of advertising, printing on shopping bags, and bag stuffers to inform the public about the importance and necessity of recycling and advising them of local recycling efforts.

In addition, we are working with the Office of Recycling in obtaining the data necessary to design an effective program of recycling edible food waste.

These wastes contain a high food value and can easily be recycled into the agricultural marketplace through hog feeding operations.

We are also preparing to participate in a program known as "Environmental Shopping" campaign. This is a national program designed to teach consumers and manufacturers about the environmental benefits of recycled paper packaging. If a product is packaged in recycled paperboard, it will be labeled with an appropriate shelf tag, carrying the recycled symbol -- three arrows that form a connecting circle.

And finally, our Task Force on Recycling has meetings scheduled with officials in Cape May and Essex Counties, as well as other municipalities to determine what steps we can take as an industry to support and augment their efforts.

I urge the Legislature to continue its commitment to the Recycling Plan and Act that is presently in effect and to reject forced deposit legislation in order that we can continue the partnership that has been formed between business, industry, local and State governments. A partnership whose goal is to implement a workable, cost-efficient and forward-looking litter and solid waste policy for New Jersey. Thank you.

AUDIENCE: (Applause)

ASSEMBLYMAN HOLLENBECK: Thank you very much. Let's get some questions because yours is one of the industries who can be mainly impacted by bottle legislation.

You were testifying primarily in the area of concern with refillable, returnable bottles. Is that correct?

MS. MC CONNELL: No, our opposition also pertains to returnables.

ASSEMBLYMAN HOLLENBECK: So, you're opposed then to the refillables or the recyclables?

MS. MC CONNELL: Yes.

ASSEMBLYMAN HOLLENBECK: What is your position of the industry dealing with detachable snap-up tops?

MS. MC CONNELL: They said that pretty much, we're going in that direction of the snap tops that remain on.

ASSEMBLYMAN HOLLENBECK: But, what is your position on it though? Are you opposed to those or are you in favor of those if there was legislation concerning those?

MS. MC CONNELL: Our industry has not taken a position firmly on that, Mr. Chairman.

ASSEMBLYMAN HOLLENBECK: What is your industry's position in reference to plastic ring containers, not degradable?

MS. MC CONNELL: Again, we have not taken any position on that. That is a question I would think would be more pertinent to the manufacturers of this State.

ASSEMBLYMAN HOLLENBECK: The common argument placed by the food stores is the sanitary issue.

MS. MC CONNELL: Yes.

ASSEMBLYMAN HOLLENBECK: Do most of the food stores that currently have to be sanitized bring in an exterminator because of roach infestations?

MS. MC CONNELL: There are very strict sanitation regulations in this State, Mr. Chairman, as you well know, and some new regulations are about to go

into effect by the Department of Health. But, I would say for the past twenty or thirty years, it has been a very closely monitored system to keep our stores clean and sanitary, not only at that level, but also at the manufacturing and distribution level, as well as the warehouse level.

ASSEMBLYMAN HOLLENBECK: You didn't answer the question though. What I am asking now is -- is it a normal practice that the food stores have to bring in and take care of infestation. Does it do exterminating?

MS. MC CONNELL: I have some representatives here from the industry. My thought is that that's not common practice because we're so careful before we get to that point, but we have someone here. Is it normal practice to bring exterminators into grocery stores at this particular point? The answer, Mr. Chairman, is that we're always taking preventive measures, but it is not common practice to have exterminators in there.

ASSEMBLYMAN HOLLENBECK: Then, the answer is yes. So that really, if you had some type of bottles around there, it would be just more time for the guy to do with it what he has to do, but --

MS. MC CONNELL: More potential and more danger -- more bugs and more roaches.

ASSEMBLYMAN HOLLENBECK: I would think that most food stores would have to have it done under a normal health code because of vegetables and stuff around.

MS. MC CONNELL: Yes, we have requirements like pallets having to be so far away from halls and all kinds of sanitary requirements that we have to follow.

ASSEMBLYMAN HOLLENBECK: One of the things -- people in our position to consider deposit bills, or even now we're talking about recycling bills, use the words New Jersey Recycling Plan, right? Resource recovery -- those are nice, popular things. Under that plan, and you know it as well as I do because you were there, you tell me, under that plan, how a bottle gets picked up in a park. How does the bottle or beer can lying in the park, under that plan, get cleaned up? How, under that plan, does that bottle not get there in the first place?

MS. MC CONNELL: There is no guarantee under the Recycling Plan and Act that that bottle will get out of that farmer's field or out of that park or off of the roadside. But, there is no guarantee under the Deposit Bottle Bill that that bottle will get out of the ditch or out of the farmer's field or out of the park either.

ASSEMBLYMAN HOLLENBECK: So, then what we are talking about is that the Recycling Plan will actually do nothing in the cleaning up of litter. Is that correct?

MS. MC CONNELL: I think it will do some to clean up litter, especially in municipalities that have built-in incentive programs there -- that there will be, perhaps, some incentive to pick up that kind of litter and to recycle it.

ASSEMBLYMAN HOLLENBECK: I think the right conclusion is that the Recycling Plan, itself, will not do one thing to clean up roadside litter. There is no basis for it. It's dealing with municipal collections; that is what we're talking about. But, it won't do a thing for the litter, and that is the general basis for these bills. Now, that's the question.

MS. MC CONNELL: I think the argument there is that, perhaps, your're right. It will not do a great deal for some of New Jersey's litter problem. But, the argument is that Deposit Bottle Legislation does very little to, and it does not attack the problem of paper or used motor oil, tires or of other kinds of

waste that is really more prevalent in our waste stream than bottles or cans.

ASSEMBLYMAN HOLLENBECK: That's what the Recycling Plan was also supposed to be doing, but that doesn't take care of that little problem of the paper and the plastic and --

MS. MC CONNELL: Neither will the Deposit Bill.

ASSEMBLYMAN HOLLENBECK: No, that doesn't do it either. Whether the Deposit Bill takes care of it or not is another question. But the Recycling Plan -- yea, it takes care of one problem, dealing with our landfills, etc., but it doesn't really take care of the problem of roadside litter and park litter.

MS. MC CONNELL: Well, I think obviously you are, Mr. Chairman and your Committee -- you have to look at the broad picture of what is best for New Jersey. I think that the testimony that has been given here today, at least some of it, and certainly, our position as a food industry -- that the best overall approach is through a recycle program where you approach getting other kinds of things out of the waste stream other than just bottles and cans. I think the experience in other states has shown that even deposit laws have not really helped with the litter problem that much.

ASSEMBLYMAN HOLLENBECK: See, that might be true. I don't disagree with that -- that might be true. And I know that deposits and non-refillables and all that might not be the answer. But, what I'm saying is that the answer is not the Recycling Bill. That doesn't do it either; it never will.

MS. MC CONNELL: Perhaps mandatory recycling at the curb is an approach we should think about.

ASSEMBLYMAN MC ENROE: Mr. Chairman, Ms. McConnell, your testimony is very compelling and I think you've made some excellent points. But, I do want to question your definition on Page 6 of a typical supermarket. Now, do you envision a liquor license as part of a typical supermarket? In other words, one that dispenses not in the State?

MS. MC CONNELL: Not in this State. As you know, we have very restrictive packaging laws, liquor laws in this State. And supermarkets, generally, are not allowed to sell beer and wine in their supermarkets. There are some exceptions.

ASSEMBLYMAN MC ENROE: But you do state that in New Jersey, the cost -- this is for the loss of between 800 and 1,000 additional square feet for storage of returnable containers -- that the loss could come or would come in New Jersey, for a typical supermarket, to a figure of \$20,000 to \$25,000 per year for a store. Now, if we translate that into a typical supermarket also having a liquor license and dispensing beer and so forth, you would then anticipate that figure to be considerably higher?

MS. MC CONNELL: Yes, but let me also clarify that. This is an example of what could happen if additional storage space had to be constructed, if renovations had to be made to the building or if additional floor space had to be added. And, in most cases, I think that would be true. But, in fairness to this Committee, I should point out to you that in deposit states, grocery stores have done various things. Some of them rent additional space, some of them have rented trailers, they've built lean-tos on the exterior and some have tried to expand on the interior. It depends a great deal on whether nor not space is available, what the building codes are within that particular municipality, and these are also problems that the retailers are confronted with, especially under New Jersey law

where you are dealing with municipal building codes and whether or not we would even be allowed to expand our storage space. So, this is just a typical example of what would happen in an average store, and I don't consider your average store to be your large supermarket, but neither the corner "Mom and Pop" store, but somewhere in between if additional floor space where needed to be added between 800 and 1,000 feet.

ASSEMBLYMAN MC ENROE: This is construction cost then, not the loss of potential retail sales.

MS. MC CONNELL: Yes, that is construction cost.

ASSEMBLYMAN MC ENROE: All right, thank you.

ASSEMBLYWOMAN OGDEN: Mrs. McConnell, the burden of your testimony here seems to be the adverse economic impact on the retailers. One of the previous speakers had said that they would be compensated, and might even be a bit ahead, by the handling fee. What is your reaction to that?

MS. MC CONNELL: I don't know who testified that they would be compensated by the handling fee. It's the retailer who is going to have to be handling the redemption of these bottles. In most deposit states, you have either one or two cents handling fee, and based upon studies that we consider to be reliable, and based upon actual cost estimates, not just theoretical time and motion studies, we know that it's going to cost at least 3.6¢ per container to handle it. Contained in that figure are estimates for what we would need in additional equipment, shelving, additional storage space, labor costs, sanitation costs, as well as miscellaneous items such as error, pilfrage, double redemption and those kind of things. So, the overall estimate contained in that 3.6¢ figure per container is what it would cost the retailer to handle it. That cost will be passed on to the consumer.

ASSEMBLYMAN ALBOHN: Does the fact that a retailer actually receives back something less than 90% of his bottles, cans and whatever indicate that there is a 10% cushion there, which he has to overcome his operating expenses and his losses?

MS. MC CONNELL: I'm not familiar with that. Figure what is of a greater concern to us -- the fact that we will be redeeming more than what we sell.

ASSEMBLYMAN ALBOHN: Somebody has to be redeeming less than he sells. You know, if they're creating bottles, and obviously, in certain situations, and things are going to peak out at different times and you're going to have different situations at different times with any retailer -- one day he may sell more than he redeems and vice-versa.

MS. MC CONNELL: At some point that may average out, but I think the argument that I make about the whole cash-flow problem or the "float" so-to-speak, that if we only sell 20 cases and yet we're redeeming 40 or you can choose any figure you like, if we're redeedming 300% or 400% more at that particular time, we're putting a lot of money up front. Some of that will come back, but we're losing money in the meantime that could be used in other productive kinds of ways or investment kinds of ways.

ASSEMBLYMAN ALBOHN: Does the grocery store operate with the beverage distributor on a C.O.D. basis?

MS. MC CONNELL: Let me ask for some expert -- do we pay on delivery of beverages. I would assume not, but is there someone here from -- pay within

a week.

ASSEMBLYMAN ALBOHN: But, it is billed then to the grocery store on paper and he doesn't have to come up with an up-front amount for the bottles that he receives from the distributor?

MS. MC CONNELL: Do we know that from baseline experience we've had in other states? He pays when he receives the goods. Is this what is being done in other states where there are deposit laws. They're paying at the time of delivery? On beverages?

ASSEMBLYMAN ALBOHN: I have never heard of an industry that operated on a C.O.D. basis commercially, and my point was, you do have a "float" here in favor of the grocery store, not against it. In other words, he is receiving his bottles from the distributor, full of beverage, and then he sells them and collects a deposit. He is billed for it and the bill for the shipment that he receives on Monday doesn't come in for a week, two weeks, three weeks -- one week. And, if he pays promptly, what does he have -- 30 days net or something like that? Net one week? So, that's two weeks that he has then before he really has to pay between the time he receives the shipment and the time he pays for it.

MS. MC CONNELL: Assemblyman Albohn and Mr. Chairman, would it be helpful to you if I got some figures on that or some reliable data to report to the Committee on to elaborate on the negative cash flow issue?

ASSEMBLYMAN ALBOHN: Fine.

ASSEMBLYMAN HOLLENBECK: Thank you very much. It's very interesting to know about the handling costs and the difficulty in the food stores handling that. They should remember when they put coupons in the paper the next time.

AUDIENCE: (Applause)

ASSEMBLYMAN HOLLENBECK: Anna Todd, New Jersey License Beverage Association?

A N N A T O D D: My name is Anna Todd. I am the Vice President of the New Jersey License Beverage Association. I represent all on-premise licensees, that is tavern owners, restaurants, bowling alleys, hotels, motels, etc. There are 13,000 licensees in the State of New Jersey.

I would like to acquaint you with the fact that if the so-called Deposit Bill is enacted, it will work another hardship on all the small businesses in our industry. We've already been hard-hit by the regulation. Many of our "Mom and Pop" places are only hanging on by "the skin of their teeth". There is absolutely no money for storage facilities or any returnable program. None of our licensees have storage space for returnable cans and bottles. There is no way of cleaning them to eliminate the problem of cockroaches, mice, rats, flies, etc., which unwashed cans and bottles will attract. Very few municipalities will allow additions to buildings at all, including the State, and they have strict Board of Health rules. You, of course, realize that we must set aside money for these returnable bottles. Many of our people are not involved in recycling. Some have undergone the expense of bottle crushers, with at least once-a-month pickup, and credited to their municipality toward recycling programs. At my own business, I have bottle pickup by a young teenage businessman, and I think he'll speak later today, who is not doing to redain his investment if you institute the Deposit Bill. He's put a lot of ingenuity into his effort, with a little help, but he has a good arrangement.

We are well aware of the problem of beer and soda bottles being thrown all over the countryside, but, what about the Burger King and MacDonald's and other fast-food wrappers and other disposables? I, as any other licensee, go to my parking lot any morning, find many brands not sold by us, and it also seems to be an excellent place to empty ashtrays. Will your Bottle Bill clean this up? You'll find this condition in your schoolyards, on church grounds, on campgrounds and anywhere that people of all ages can throw garbage.

We're convinced that placing a hardship on our licensees with returnable items will cure nothing. We believe that young people who have been taught not to litter by their parents, as a general rule, do not litter. Perhaps the young children in kindergarten and primary school should be taught to remind their parents and their grandparents the art of what a garbage can is for. We need education for litterers. We need fines or possibly a mandatory cleanup program for litterers, not returnable bottle and can deposit bills -- a program to make the public pickup after themselves as punishment.

I'm convinced that there has been no regard given to the retailer. One speaker here today seemed to give the impression that the small business person grows money on trees. Where do we get the upfront money? We'd like to know.

AUDIENCE: (Applause)

ASSEMBLYMAN MC ENROE: Thank you very much, Mrs. Todd.

The next speaker is Mr. James P. Sweeney, representing Midland Glass Company. Mr. Sweeney?

J A M E S P. S W E E N E Y: Mr. Chairman, members of the Committee, my name is James Sweeney, Administrative Assistant to the Chairman of Midland Glass Company, which is located in Cliffwood, New Jersey. I appreciate this opportunity to express my Company's views and concerns regarding container deposit legislation.

Midland Glass is a manufacturer of glass bottles and containers for the beverage and food industries. We employ over 600 people at our local plant and Corporate Headquarters in Cliffwood, and generate an annual payroll of approximately \$14,3000,000 for our New Jersey based employees. Midland Glass, as the 14th largest employer in Monmouth and Ocean counties, is a potent economic force in the local, state, and national community. As a major manufacturer, we contribute significantly to state and local tax revenues.

Previous speakers have told you what detrimental impact deposit legislation would have as it relates to the economy of our state. With deposit legislation, there are NO WINNERS. Higher consumer costs and reduced employment have been documented in every state that has enacted this legislation. The reduced employment opportunities and erosion of the tax base that are consistent with a plan that displaces skilled breadwinners with semi-skilled or part-time labor is part of the burden or cost the people must pay -- and for what purpose? -- to abandon a total recycling effort that has been proven effective and addressed ALL litter for a program that deals with 10% to 20% of litter and 6% of solid waste. As concerned citizens, we find the potential for the creation of increased rodent attraction and infestation of food products associated with the storage of dirty containers, an appalling violation of the very laws that were passed by government to achieve improved sanitary conditions. Gains made in the improvement of the

the quality of life for our residents may be forfeited by legislation that would transform our homes and supermarkets into veritable garbage dumps. Any legislation that carries such a high social cost in terms of product price, loss of jobs, imposition on the consumer to store and transport dirty containers, and the abandonment of an already successful recycling program merits the careful scrutiny of our legislators. It is our opinion that the citizens of New Jersey would be ill-served by such an approach.

The container industry abhors litter just as you do. As professionals and as individuals, we also believe that something must be done about the litter problem. ALL types of litter -- the paper, the fastfood containers, as well as glass, plastic and aluminum that are a part of this problem -- that is why we were delighted when the Legislature passed the Recycling Act, which is one of the best in the nation. It has started to work and it deserves a chance.

At Midland, the impact of this recycling program has already been made apparent, not in hypothetical theories, but in real figures of the amount of recycled glass cullet we are purchasing. In calendar year 1981, for example, our Cliffwood plant purchased nearly 9,500 tons of cullet, some 5.3% of total melted glass in our furnaces. In the first three months of 1982, we purchased 4,500 tons of recycled cullet, some 12.4% of total melted glass in our furnaces, and the trend continues to be favorable. That's good for New Jersey because a glass mixture using cullet melts at a lower temperature, saving our valuable energy, and it also puts fewer particulates in the air, making our air cleaner. Ladies and gentlemen, we are saying that the Recycling Act works -- we've seen it work. Give it a chance to tackle the litter and landfill problems that concern us all.

I have included a brochure with this testimony, which I strongly urge you to study carefully. It is a non-emotional and factually rendered assessment of the effects of forced deposit legislation.

Think carefully of the economic and social detriments of forced deposit legislation. Do not let a few well-intentioned, but misinformed people, hurt so many. The glass industry is an important part of the economy of our State, having nine plants, which makes the State of New Jersey, in terms of plants, fourth in the country, producing 15% of the total glass in the nation. Think carefully and do not adopt forced deposit legislation until recycling has been given a fair chance to prove its worth.

ASSEMBLYMAN HOLLENBECK: Thank you. Are there any questions for Mr. Sweeney? Mr. Albohn?

ASSEMBLYMAN ALBOHN: As a representative of the glass industry, you're aware of the fact that most of the deposit legislation we're speaking of does not argue solely for reusable bottles. Are you aware of that?

MR. SWEENEY: I understand that, Sir.

ASSEMBLYMAN ALBOHN: The arguments that you raised are the same arguments that were raised at one time when the thrust was entirely toward reusable bottles. But, now we're talking about bottles that just make the trip once and go back as cullet or whatever other form. What we're asking is that they go back to the distributor in some fashion or other rather than by some devious recycling route which nobody can really pin down. I'm just wondering if you feel the situation is really as bad as you paint it when you compare a situation where

we are allowing the bottles to go back to you and where you have your same sales markets that you had before, except in one instance, you know your bottles now come back as cullet instead of the way they used to come back as whole reusable bottles to the distributor. I may not be making myself clear. I got involved in a little convoluted logic there, but I think the point is simply that the situation is grossly exaggerated, isn't it, when you consider the fact that we're not calling for bottles to be produced only once and then reused forever?

MR. SWEENEY: Sir, I don't believe that our statement here today is exaggerated. May I say that there have been a lot of opinions expressed here today, and I presented the policy of my company. We are concerned particularly because the Recycling Act has only been in place for a period of six months. As you can see, in terms of the cullet that we have purchased, it has gone up well over 100% since the act has been in place. We have seen where the "rubber meets the road", so -to-speak, at the plant level, that there has been an impact there. We are concerned that the Recycling Act be given a chance to prove its worth.

ASSEMBLYMAN ALBOHN: You know, recycling wasn't invented six months ago. Recycling has been around a long time. The only thing that was invented six months ago was a 12¢ per cubic yard deposit tax as a landfill to assist municipalities in subsidizing some of the costs of the recycling programs. Now, if it couldn't work before, do you think that 12¢ per cubic yard tax is going to make the difference?

MR. SWEENEY: I can't really comment on that, Sir. I don't have the technical expertise to do so. I would be glad to research the problem and get back to you at the next meeting.

ASSEMBLYMAN ALBOHN: I'd really be interested in hearing from you because it seems to me that we've suddenly seemed to discover recycling anew. You know, it just got invented six months ago, give it a chance to work. But, instead, what we're saying is 12¢ a cubic yard tax at the landfill is going to change the face of the earth.

MR. SWEENEY: Sir, we're not experts on the landfill tax or the retailing of the distribution system. I'm just giving you the standpoint of our plant and our industry and the impact it had had at our plant.

ASSEMBLYMAN ALBOHN: Thank you.

MR. SWEENEY: Thank you, Sir.

AUDIENCE: (Applause)

ASSEMBLYMAN HOLLENBECK: Martha Ferrari, Glass Bottle Blowers Association Local 225.

M A R T H A F E R R A R I: My name is Martha Ferrari and I am Vice President of Local 225 from the Glass Bottle Blowers Association of the United States and Canada. I work at the Wharton plant in New Jersey and before I read my testimony, I just want to say that I'm proud after hearing all the testimonies here today that I will represent, if I were to divide the employees of the Wharton plant into two big groups, I would pertain to the one group that has not been mentioned today yet, and that is the unskilled group. At the Wharton plant, we have 890 employees at this moment. Out of those 890 employees, I would dare say that 600 pertain to the unskilled group, and we would definitely be hurting if the mandatory bottle were to come through.

We are here today to direct your attention to the different facts we should consider as to how the mandatory Bottle Bill would affect New Jersey and its different communities.

When I say "we", I'm referring to myself as a labor representative, a wife, a mother, and a concerned worker from a glass manufacturing company. We would like to inform those that sponsor the bill, that bottles and cans comprise 15% of total litter and 5% of solid waste in New Jersey. To presumably take care of this littering situation, you're willing to lose jobs, increase energy costs, cause a decline in sales and subsequent tax losses.

Let's begin with our jobs. You will substitute hundreds of skilled workers' jobs whose sizable incomes provide for their families and their communities for unskilled, part-time, minimum wage jobs to handle empty containers in stores and warehouses.

After losing all these skilled jobs and household breadwinners, you will also hurt the state and the nation since to produce returnable containers, this would mean consuming more oil and gasoline. For example, Coca Cola, U.S.A. found that distribution in the deposit state of Oregon used twice as much gasoline as a similar non-deposit operation in Washington. It would also require 15 times more water to clean any refillable bottle and at least 3 times more in any brewery.

Now, after losing all these skilled jobs, plus consuming more energy and water, we would also suffer increases in prices, consumer costs and industry costs. Beverage prices would increase, like it has in every state that has the deposit legislation. Consumers and retailers costs would increase and consumers won't have the choice of buying the housebrands because stores won't be able to store all these empty bottles due to lack of space. Industry costs will also suffer. Wholesalers will have to invest more capital in new trucks, buy new warehouse space, more sanitation, more bookkeeping, etc. Consequently, beverage sales would decline, causing a considerable loss of excise tax revenue.

Very important, also, is the sanitary situation involved. The malt and sugar syrup residues in unwashed cans and bottles will be magnets for insects and rodents, which will increase infestation, especially in stores where their storage areas are close to food preparation areas.

Finally, how can we really decrease littering in New Jersey without a mandatory Bottle Bill?

- development of recycling operations
- anti-litter education programs
- organization of litter clean-up programs
- fines for littering offenses

These programs could be financed by the money collected in fines and through grants in aid, plus tax levied against manufacturers, wholesalers and retailers, which could be deposited in a litter-control account within the state general fund.

Up to now, I've given you several facts that I'm sure will get you to reconsider your position and ask yourselves if the mandatory Bottle Bill is that good for New Jersey.

Last, but not least, I would like to mention that my husband and I both work at Thatcher Glass Manufacturing Company in Wharton, New Jersey. We both earn over \$8.00 per hour. Our salaries allow us to have a home and to offer a decent way of living to both our children, who go to school. We are looking forward to

offering our daughters an education in the near future, but if you push the mandatory Bottle Bill, we may both be out of work, and then, what will happen? All you will gain is jeopardizing a family's well being and adding more people to the already long, unpredictable lines at the unemployment office. Thank you very much.

AUDIENCE: (Applause)

ASSEMBLYMAN HOLLENBECK: Thank you very much.

David Lloyd, New Jersey Business Industry Association? David Lloyd? Going once, going twice. He was here; I saw him here.

Ray Povalski, Sort Corporation?

R A Y P O V A L S K I: First of all, I'd like to thank you for this time, especially since I see we only have an hour left.

I'd like to speak from three perspectives. First of all, I'd like to speak as an environmentalist. A year ago I attacked a litter problem in our neighborhood. I saw we had a problem -- paper, glass, whatever might be lying along the streets -- how to tackle that most effectively, I thought. Well, I started a recycling business. Last December we opened our doors for municipal recycling programs. We have eight communities now participating in our program, and we are up to recycling about one million pounds of newspaper a year and two hundred tons of glass per year. We are a very small company, but basically, I started the business for one reason --we have to do something. Eventually our society is going to realize that we must recycle things that we might not have believed we had to originally. We have to recycle our glass and our paper.

The Deposit Bill today is strictly, I think, concerned with our litter problem and I feel our litter problem cannot be combated with the Deposit Bill. I think the questions brought up by the Committee were basically -- I think the question was, "How was the new recycling law answering the problem whereas the Deposit Bill isn't?" Well, I think it's a great start. I think Mary Sheil and her administration have done a terrific job and I think the Assemblymen have passed such a measure that it is a good start for this state. We have basically just begun the battle of recycling. I've heard the word come up before and recycling has been around for many years. Why does everyone think it is so new? Why is there such an emphasis on give it a chance; it will do something that it hasn't done in the past? Well, I think there is a good reason why. I think that our state is fully behind this program and I believe that there are more municipalities, more individuals like myself, more concerned citizens willing to lean over and pick up a can, lean over and pick up a bottle -- something -- and if we can create enough centers, if we can create enough opportunities for individuals to recycle this material, I believe that we're on our way.

Now, to tell you the truth, my company is so small that we have yet to turn a profit in the year that we've been working. And I think I speak, not necessarily for a big industry, but I speak as an individual. I speak as an environmentalist. I don't have that much invested in my company. I think that a lot of people are saying up here that the Bottle Bill will put the young man out of business, and that is why he is standing up here. Well, let me say, whether or not it goes through, I'll survive. I'm in college right now and I'll pick something else up in years to come. But, I just believe that it is very necessary to give this new recycling legislation a chance. I think that is the bottom line. I think they brought up things about, "What about kids who throw out their bottles?

Are they going to do it"-- I think the first person -- I forgot his name -- who was on the AFL-CIO -- he said they have interviewed thousands of teenagers and thousands of kids and that they were going to throw the bottles out of windows regardless of any deposit bill. Well, I'd like to testify as a teenager, if I might. I'm not testifying that I'm throwing any out the window, but I am testifying that I've been there and I've seen it. I do not believe, as I stand here, that a deposit bill won't completely eliminate that problem. And, I don't even think it will completely eliminate it up to a 50% mark. The problem lies elsewhere, whether it be at home or in school, but, I do not believe that this Deposit Bill is going to deter the students or kids who are drinking illegally or drinking while driving from throwing these beer bottles out the window. And I think the society groups, whether it be the motorcycles or the bicycles of the Sierra Club, are concerned with the glass alongside the street. Well, let me tell you that the glass is going to be alongside the street regardless of any deposit bill. And I do believe that one day down the line, a Deposit Bill will be necessary. I stand here, maybe contradicting myself, and you may say I am a fool, but I do believe, in years to come, we're going to have to return and recycle more than one-man magic. But, for the time being, especially during this crucial time in our society, whether it be economically with the job and unemployment situations, I do believe it is a time period in which we should try to let the program which we have started, go a little bit longer.

I believe that -- what is it -- "Keep America Beautiful" -- has been pointed out once or twice in here. I believe that they have come up with one theory; it's the three"E" theory: education, equipment and enforcement. I think if we follow that, in accordance with the new recycling law, we'll be going somewhere. I think education is a very necessary part which the New Jersey Recycling Law has been directing some of their efforts toward. I think equipment has been improving, whether it be more available centers, more industry getting involved in this type of equipment to recycle -- I think they are getting involved. But, the most important thing is, we're neglecting the enforcement of litter laws. We're neglecting them beyond belief, the reason being we have crime problems and this and that. Whether it be necessary to put an individual task force for litter or whatever type of task force necessary to enforce these litter laws, I think, would be one of the most appropriate things for the time being.

I think that's about it. There was one or two other things I wanted to say -- if you have any questions -- yes, I just think, basically, that the Deposit Bill is something of interest to a lot of people in this State. But when you weigh all of the possibilities and all of the consequences, whether it be the unskilled laborers, the labor people who will lose their jobs because of reorganizing of what have you, I do not feel that this State is in a position right now to move on such legislation. I just hope that it will be considered much more carefully than other states have, especially because of the economic situation -- employment and what have you. Thank you.

AUDIENCE: (Applause)

ASSEMBLYMAN HOLLENBECK: Thank you for your testimony. Just a minute, please.

ASSEMBLYMAN ALBOHN: As a recently -- a teenager, I guess. Incidentally, I have to say that Ray is sort of well-known in his own community. It happens to

be the community where I work and he lives. He doesn't know me, but I have heard of him. So, he's doing better than a Legislator is, I guess, PR-wise.

Ray, as a recent graduate from the teenager group, you say a Deposit Bill will not prevent bottles from being thrown out the window and discarded along the highways. Would you say that would be true if the deposit were a dollar?

MR. POVALSKI: I'll tell you the truth; I think if it were \$1.00 or \$5.00, when it comes to the point where you're driving down the road, you're underage, and there is a possibility of being pulled over by a police officer, there is no economic value that will make you put it in the ashtray or under the seat. And, let me say, I don't know what is happening in terms of the drinking age, but somebody once told me that they were thinking about putting it back up to twenty-one. Well, let's just imagine, if it does go up to twenty-one, all those extra people will certainly do the same thing when they're in the same problem situation.

ASSEMBLYMAN ALBOHN: All right. But, I don't think every bottle is thrown out the window because of police cars behind them.

ASSEMBLYMAN HOLLENBECK: Any other questions? Thank you very much.  
And, no applause.

AUDIENCE: (Applause)

ASSEMBLYMAN HOLLENBECK: Clifton Doolittle, Local 225?

Ellen DiMaggio, Township of East Brunswick, Committee on Recycling?  
E L L E N   D I   M A G G I O: Good afternoon. First of all, I'd like to say I'm glad I have this opportunity to speak today. As you can see, it is a very important issue on my mind; otherwise, I wouldn't be here.

First of all, I was asked to read the resolution that was passed by the Township of East Brunswick dated April 12 of this year, Number 5571.  
The Resolution of Returnable Beverage Containers:

ASSEMBLYMAN HOLLENBECK: Could you synopsize the resolution?

MS. DI MAGGIO: It's short.

WHEREAS, metal glass and plastic beverage containers make up a significant portion of the litter which glights our roadsides, parks, playgrounds, fields, stream and other public and prive open space; and

WHEREAS, the cleanup of such litter is a burdensome state and municipal expense which consumes labor which might otherwise be put to more constructive uses; and

WHEREAS, the use of throwaway aluminum, steel, glass and plastic containers causes excessive consumption of energy and raw materials in container manufacturing; and

WHEREAS, the disposal of such containers uses limited available landfill space and entails significant collection and cartage costs and disposal fees; and

WHEREAS, broken glass from discarded glass beverage containers is a serious health and safety hazard and is a cause of damage to automotive and bicycle tires and to farm equipment; and

WHEREAS, such legislation has resulted in dramatically reduced amounts of broken glass and other litter on roadsides and elsewhere, has reduced consumption of energy and raw materials, and has provided increased employment in the recycling industry.

NOW THEREFORE, BE IT RESOLVED by the East Brunswick Township Council that the concept of mandatory beverage container deposit legislation is hereby

endorsed, that the Legislature and Governor of the State of New Jersey are urged to adopt such legislation and that the Township Clerk is directed to forward copies of this resolution to appropriate legislators and to the Governor of this State.

I would like to submit that for the record, please.

The other hat I'm wearing today is as the Chairman of the Committee on Recycling of the Township of East Brunswick. Before I read our statement, I would like to make one personal statement.

It is my understanding that recycling refers to any process that removes materials from the waste-flow stream; therefore, returnable containers are recycled containers. Those of us who are actively recycling glass know and are very aware that the Bottle Bill is only addressing a part of the total problem. We will still have a lot of glass to continue recycling. Beverage containers are only one type of glass that is being recycled.

The Committee on Recycling of the Township of East Brunswick is hereby supporting mandatory beverage container deposit legislation.

It has already been established by way of the New Jersey Recycling Act of 1981 (Assembly Bill #2283), that the State of New Jersey has taken recycling as a way of dealing with the serious solid waste disposal problems in the state. This five-year program is a commitment that must be supported. We believe the beverage container deposit law will be in complete agreement with this recycling act.

It is our contention that a mandatory returnable beverage container legislation should include full refund of the deposit to the consumer, not a tax placed on the bottling industries; that equivalent deposit values should be placed on all beverage containers respective of the size, including glass, cans and plastics; and, that the act is put into effect as soon as possible in order to expedite procedures.

Similar legislation has been in operation in at least eight other states, resulting in reduced roadside litter and waste. This Committee believes that a mandatory deposit bottle bill will encourage recycling, rather than the disposal of containers, thereby reducing litter, landfilling, and senseless wasting of the natural resources used in production of beverage containers. It is important that we reuse these commodities for reducing the waste-flow stream and the increase in conservation of our natural resources, while making the environment cleaner and free from broken glass, torn cans, and unsightly plastic bottles. Thank you.

AUDIENCE: (Applause)

ASSEMBLYMAN HOLLENBECK: Thank you very much.

Leo Desrosiers, Independent Residents Against Toxic Environment, with the acronym of I.R.A.T.E.

L E O D E S R O S I E R S: Mr. Chairman, the Committee, I think I feel like the Christians going before the lions today. As youngsters, most of us can recall returning empty beverage and milk bottles to our local grocery or candy store to reclaim the 2¢ or 5¢ deposit. Finding an occasional discarded bottle was a real chore, as most households returned these store bottles, as they were called, as a matter of course to obtain a refund. Litter from this source was, quite naturally, almost non-existent. Today, however, one cannot travel anywhere without observing unsightly beverage containers strewn upon the roadways, parks and beaches that have become municipal sanitation and health problems.

This situation is not unique to litter, however. Our own household waste contains a multitude of unreturnable cans and bottles that are eventually deposited in our local landfills. With decreasing landfill capacity already a painful fact and the siting of environmentally secure new landfill areas a matter of deep concern, it behooves each of us to seek any and all alternatives to this wanton and costly indiscriminate disposal of non-returnable containers.

We, therefore, support this bill as more appropriately controlling the ever escalating volume of litter we see everywhere and to help lessen the impact on our overflowing landfills. The membership of I.R.A.T.E., Independent Residents Against Toxic Environment, support mandatory Beverage Container Deposit Legislation. Beverage container deposits are an environmentally safe and economically attractive way of reducing the volume of solid waste entering our landfills. At least eight other states have such laws that have proven successful.

I.R.A.T.E. urges prompt passage of a 100% deposit legislation, with no tax on the industry or consumers.

I also am speaker for S.M.O.K.E., which is the Statewide Movement Opposed to Killer Environment. This is a coalition of state groups also formed to oppose any development or process that might further harm the environment. They also support the passage of this legislation.

We hope that this is the first of many steps taken to re-enforce existing legislation to protect our environment. Thank you.

AUDIENCE: (Applause)

ASSEMBLYMAN HOLLENBECK: Thank you very much. Are there any questions? James Morford, New Jersey State Chamber of Commerce?

JAMES C. MORFORD: Mr. Chairman, members of the Assembly Energy and Natural Resources Committee, I am James C. Morford, Director of Governmental Relations for the New Jersey State Chamber of Commerce.

Since its organization in 1911, the New Jersey State Chamber of Commerce has been the leading advocate for the business community of New Jersey on that broad range of issues which affect the growth and economic advancement of the entire state. General policies of the State Chamber are established by its elected Board of Directors with technical guidance provided by standing and special committees whose members are drawn from the top ranks of qualified specialists employed by member companies.

Mr. Chairman, we welcome this opportunity to present the views of the New Jersey State Chamber of Commerce on the issue of beverage container deposit legislation and litter control. We appreciate the fact that this Committee of the Legislature is giving its attention to this important issue.

The proper disposal of solid waste, of which litter is a part, has long been a concern of the State Chamber. We actively participated in the development of the New Jersey Recycling Plan and strongly supported the legislation to implement it. That implementation occurred on January 1 of this year. The objective of the program is the recycling of 25% of municipal solid waste and development of a statewide program addressing the total litter problem.

The New Jersey Recycling Act administered by the New Jersey Office of Recycling is funded by a minimal landfill fee which will sunset on December 31, 1986. The fee (12¢ per cubic yard through 1985 and 6¢ in 1986) is being paid

by all users of New Jersey landfills, including those from out-of-state.

Four to six million dollars will be generated annually through 1985 and two to three million dollars in 1986. The funds will be utilized as follows:

- 45% (\$8.1 to \$12.2 million) in recycling grants to New Jersey communities based upon the tonnage of materials recycled that would normally end up in the solid waste stream (paper, newsprint, corrugated paper, all glass containers, aluminum, metals, food wastes, etc.). During 1981, about 40 communities developed recycling programs in anticipation of enactment of the plan. Presently, more than 250 communities and commercial entities are involved in active recycling programs.
- 20% (\$3.6 to \$5.4 million) to be used for loans and loan guarantees to private enterprises for recycling equipment.
- 20% (\$3.6 to \$5.4 million) to be used for planning and programming assistance to counties and municipalities.
- 15% (\$2.7 to \$4.1 million) for promotion and education on recycling, litter abatement and new market development activities.

According to a June 27, 1982 Star Ledger article by Gordon Bishop, New Jersey led the nation in the amount of glass containers recycled last year. He stated that, "239 million pounds of glass bottles were crushed and melted to make new bottles, thereby reducing solid waste burdens and litter."

Crushed glass, known as cullet, provides significant energy savings since it melts faster than virgin materials. Its use allows manufacturers to lower the temperature of furnaces and thus decrease energy usage and emissions of pollutants into the air, according to the Bishop article.

The New Jersey Recycling Act is credited with the dramatic increase in glass container recycling. The Recycling Act has stimulated public awareness, community-wide reclamation programs, and the installation by industry of major glass processing equipment.

The positive results of the Recycling Act to date, although still in its infancy, demonstrate that government can create positive mechanisms to encourage free enterprise. It need not cripple or destroy an industry to solve a problem.

In the Fall of 1981, the State Chamber donated an award for a slogan contest sponsored jointly by the Departments of Transportation and Environmental Protection to begin promotion of an anti-littering campaign.

Since early this year, I have been serving as Chairman of a Litter Abatement Committee, which is a sub-committee of the New Jersey Recycling Forum. The purpose of this sub-committee is to recommend to the State of New Jersey a program that will address the total problem of littering and suggest a program that will promote the positive image of a cleaner New Jersey.

The State Chamber is currently preparing for late summer distribution to its membership, a suggested program and guidelines for on-site litter abatement activities and suggestions for community involvement.

We do indeed recognize the problems of improper disposal of solid waste. They are not only aesthetic, they also represent economic and health problems.

While forced deposit laws have an appeal to some, it is the belief of the State Chamber that such proposals recognize only a relatively small part of a much larger problem and provide the wrong solution.

With the recent enactment of a bottle bill law in New York State, certain environmental enthusiasts have renewed their efforts to visit a forced deposit law on the people of New Jersey. Because New Jersey is the largest producer of beverage containers in the nation, the New York law will have a greater negative impact on our state than elsewhere. A New Jersey forced deposit law on top of New York's would, with its resultant loss of jobs and revenue, have a devastating impact on our State's economy and one of its major industries.

Due to the concentration of container manufacturing in New Jersey, we have a unique opportunity to make an alternative system work. The State Chamber believes it would be unjust for the Legislature not to permit the New Jersey Recycling Act to work at the very least until its progress report, which is due to be presented to the Legislature in the Fall of 1984, has been reviewed and considered.

As we suggested earlier, forced deposit laws address only a small part of a larger problem. While proponents recognize the problem of litter, they offer the wrong solution.

We have a further obligation when considering forced deposit laws and that is to consider the cost/benefit relationship.

Mounting evidence from states with forced deposit laws confirms our belief that such laws address only a small portion of the total litter/solid waste problem and at an unacceptable cost benefit ratio. Forced deposit laws cause high beverage priced, consumer inconvenience, market disruption, sanitation problems in the home and at the retail level, increased consumption of energy, a trade-off of high-paying head-of-family jobs for low-paying, menial and dead-end jobs; reduced beverage sales and reduced sales tax revenues.

A New Jersey forced deposit law will result in additional operating costs to industry, costs which will be passed on to the consumer at a rate of not less than \$1.00 per case. Based on recent figures, there are approximately 146 million cases of affected beverages sold annually in New Jersey. At \$1.00 per case, this will represent a \$146 million hidden tax paid by consumers to address a small percentage of a larger problem that would require, according to our best estimates, only \$8 million to clean-up.

In addition, industry would have to bear additional capital equipment costs, retailers would have the costs of providing additional space and equipment, such as storage racks and bins. Distributors would have to buy additional trucks and create additional space.

It is neither fair nor just to single out one or two industries to bear costs so far in excess of a reasonable total clean-up program. It's like killing a fly with an atomic bomb.

A series of studies done for agencies of the federal government and for several state legislatures have shown that beverage containers compose about 15 percent of total litter by area. Analysis of data developed by the Institute for Applied Research on a study done in California shows that newspapers represent 5.7 percent of urban (not roadside) litter by area. They also

compose a dominant percentage 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 72-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 State Chamber of Commerce does not advocate a forced deposit on newspapers either, we use this illustration to point out the fact that we have never heard an environmentalist, much less a politician, propose a deposit on newspapers, although they represent a major litter problem.

Mr. Chairman, there has not to date been a careful and thoughtful study to determine the loss of tax revenues to the state, increased unemployment costs to the state and increased welfare costs to the state that would result from a New Jersey forced deposit law. We should not act with the haste desired by the emotionally charged-up environmentalists until we can study the economic impacts of the recently enacted forced deposit law in our neighboring State of New York

At least one major soft drink company has indicated it will cancel plans to build a multi-million dollar facility in New York State and is now considering locating that facility in New Jersey.

At a time when Governor Kean and his administration are trying to establish a climate favorable to attracting business, we have an opportunity to capitalize on New York State's bad judgement and gain an economic advantage for New Jersey by attracting those businesses and not driving them away from our state. This is probably true when the New Jersey Recycling Plan offers a better alternative.

It was Bernard Shaw who wisely said:

"We must not stay as we are, doing always what was done last time, or we shall stick in the mud. Yet neither must we undertake a new world as catastrophic utopians, and wreck our civilization in our hurry to mend it."

We respectfully urge you to resist the siren calls of the utopian environmentalists who would do serious harm, if not wreck, an important industry that makes significant positive contributions to our economy in their zealous quest to mend our civilization, when there is a better, more cost-effective alternative to solve the larger problem.

Let us together --business, labor, government and environmentalists-- be about that greater task.

Thank you.

AUDIENCE: (Applause)

ASSEMBLYMAN HOLLENBECK: Any questions? Please ask the questions loud as some of the people in the back can't hear your questions.

ASSEMBLYWOMAN OGDEN: I have one question, Mr. Morford. At the bottom of Page 4, you say it is going to cost \$146 million of hidden tax that consumers will pay to handle these bottles and it will only cost \$8 million to clean up. What are you talking -- clean up what?

MR. MORFORD: The information that I have that our people were able

to develop cost about \$8 million for the state to enter into a total litter clean-up program along the roads and parks throughout the State of New Jersey. And, it's a clean-up program. I don't propose it as a long-term solution, but it would clean the landscape. It will cost about \$8 million to do that, not a little bit of money. The \$146 million, based on the \$1.00 per case, is additional costs that would be passed on the consumer -- costs the business would have to absorb or pass on to the consumer because of additional costs of bottle legislation.

ASSEMBLYWOMAN OGDEN: How would the \$8 million be spent, you mean to hire people?

MR. MORFORD: Yes. For instance, the Department of Transportation, municipal public works groups to hire people to go out and literally pick up the litter.

ASSEMBLYWOMAN OGDEN: On a continuing basis?

MR. MORFORD: No, it's a one-time basis.

ASSEMBLYMAN ALBOHN: One of your questions, one of your statements was that while proponents of the deposit legislation recognized the problem of litter, they offer the wrong solution. Now, this implies that there is one or more better solutions to the litter problem.

MR. MORFORD: Yes.

ASSEMBLYMAN ALBOHN: What would that solution be?

MR. MORFORD: Well, Assemblyman Albohn, we have a proposal, as I've said elsewhere in the testimony and we indicated that we have actively been a part of the New Jersey Recycling Plan. It does have an anti-litter component in it. I skipped that particular section of the testimony because I think it was addressed earlier today by Mrs. Sheil and others that 15% or about \$2.7 of \$4.1 million from the present Recycling Act that the Legislature passed without dissent a year ago, is set aside for promotion and education on recycling litter abatement and new market development activities. As I also indicated, I am involved with a sub-committee of that recycling form, putting together a program to recommend to the State that would utilize, in part, those monies and solicit other monies from other sources, particularly private sector source, industry sources. It doesn't seem that the environmental groups have a great deal of money to contribute in those areas and that would address the educational component, that would assist or provide State assistance to communities, municipalities in anti-litter campaigns. Those are the kinds of things I am speaking of.

ASSEMBLYMAN ALBOHN: Hasn't this ever been tried before?

MR. MORFORD: It's been tried -- it's been tried successfully in some states -- Georgia, Virginia, Kentucky. I can think of some that have used anti-litter campaigns in programs and they have met with success.

ASSEMBLYMAN ALBOHN: Have you ever heard of the "Keep America Beautiful" program?

MR. MORFORD: I certainly have.

ASSEMBLYMAN ALBOHN: It's sponsored by the beverage industry, as you know, I'm sure.

MR. MORFORD: Whether it's sponsored by the beverage industry or not, I think it works. I don't think it should --

ASSEMBLYMAN ALBOHN: But I think the statistics, if you would check the statistics, there are more "Keep American Beautiful" programs that have failed and gone away than are in existence today.

MR. MORFORD: Well, we happen to believe the "Keep American Beautiful" program, the Clean City System program happen to be effective programs that offer a good opportunity, a good option, and something that this State ought to consider.

ASSEMBLYMAN ALBOHN: Can you name one city in New Jersey that is using it?

MR. MORFORD: Offhand, I can't, but I believe there are some cities in New Jersey that are. I don't know, Mr. Assemblyman. If there is one, I'll get the information to you.

ASSEMBLYMAN ALBOHN: My point is that it doesn't work.

MR. MORFORD: New Brunswick. New Brunswick has apparently had some success. I know they had a very effective anti-litter program.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Mr. Morford.

MR. MORFORD: Thank you, Mr. Chairman.

AUDIENCE: (Applause)

ASSEMBLYMAN HOLLENBECK: Ellie Gruber, New Jersey League of Women Voters?

ELEANOR GRUBER: Thank you, Mr. Chairman.

My name is Eleanor Gruber and I represent the New Jersey League of Women Voters on the Can and Bottle Bill Coalition, an informal group of environmental organizations, plus interested individuals. The position of the Coalition reflects the League position on the Bottle Bill. The League is most interested in passage of a Bottle Bill; this legislation would essentially work toward a long-standing League goal: forstalling depletion of nonrenewable resources.

We have a landfill catastrophe in the making in our State. The New Jersey Reporter magazine estimates that landfill space in our State will effectively be used up within this decade. Frantic municipalities try to figure out solutions which should have been faced twenty-five years ago. In fact, if people were as aware twenty-five years ago as they are today, we probably would not be sitting here testifying on behalf of the easiest method of reducing landfill space by almost 7% in volume -- the beverage container deposit law.

Mandatory beverage container deposit legislation would go a long way toward solving the landfill problem because it would:

1. remove approximately 7% from the solid waste stream (1)
2. remove the most recyclable, most durable, and largest volume component of litter by 40% to 60% (2)
3. encourage people to recycle. In fact, in the six states which have had deposit laws for more than two years, "deposit laws have created an economic foundation for a self-sustaining recycling industry." (3)
4. signal the beginning of citizen involvement in reducing the landfill.

(1) Can and Bottle Bills, California Public Interest Research Group, and Stanford Environmental Law Society, 1981, p. 29.

(2) Ibid; p. 26.

(3) Ibid; p. vi.

We applaud the efforts of your Committee to bring this matter before the Legislature as soon as possible. We thank you for giving us the chance to tell you how grateful the entire State will be if you recommend a bottle bill be passed. You will have begun a process of education which will filter down until a real dent is made in the landfill problem. People will once again become responsible for their garbage. I have testified twice before on similar matters, and as I stated then, the average citizen has no concern about his garbage once it goes out into the container. He closes his eyes when he passes landfills bulging to the seams, where trucks are lined up waiting to dump potentially reusable garbage. He has no right to be unconcerned. He should be made responsible for his actions in this area, and you, as the people designated to help ease the natural resource problem in New Jersey, owe it to your State to see that he becomes accountable. There are many ways to educate the citizen, but constant reminders in newspapers and posters and lapel buttons are no substitute for a law which enables you to accomplish what must be done.

We understand that during this time of high employment, union demands must be considered. To this end, our Coalition is prepared to suggest that all beverage containers be recycled and that new containers be made from old in every case. That is, we are no longer insisting on reusing glass beverage containers.

This way we can accomplish two things: the approximately 3,500 new jobs, which will be created by the Bottle Bill, will still be there, adding significantly to jobs in our State; and second, there would be no threat of loss of union jobs because the same bottle manufacturing process would continue. Energy savings by using refillable bottles are significant and desirable, but in these hard times, we cannot consider energy savings in a vacuum.

We must all stand together to create and retain as many jobs as possible. A Bottle Bill with this provision of non-reusable bottles is the optimum solution to our current problem. It reduces solid waste, reduces litter, saves landfill space, retains existing jobs, creates new jobs and educates the citizen.

That is the end of my testimony. I wonder if I might read two letters that came to my attention. These people could not make it today. I'll just tell who they are from -- The South Branch Water Shed Association, Patricia Stover, President, specifically wants to praise Assembly Bill A-78, which is Mr. Albohn's bill, and The Garden Club of New Jersey, Mrs. James Weatherspoon, also would like to have read into the record her approval of her group for Assembly Bill A-78.

Thank you.

AUDIENCE: (Applause)

ASSEMBLYMAN HOLLENBECK: Are there any questions? Thank you very much. Excuse me, you'll have to come back so we can get it on the microphone.

ASSEMBLYMAN ALBOHN: I hate to keep asking these questions. You mentioned that one of the bills New Jersey is considering would prohibit the use of returnable bottles, of reusable bottles. Everything would have to be single trip. This sounds great for the glass industry, but doesn't it seem rather a burden for the fewer bottlers who use bottles on a recyclable basis to be told that you cannot increase your sales, you cannot diversify your product line, you have to stay right where you are?

MS. GRUBER: Mr. Albohn, I agree, personally -- if I had my druthers, I would love to see energy savings that we could accomplish by strictly washing glass bottles. Now, keep in mind, we're not talking about aluminum or tin or -- I mean, glass bottles are not the total segment of the beverage and beer -- more beer than soda -- . You look in the supermarkets now, and, frankly, it's a lot of plastic. So, we're not talking about the only segment of the soft drink industry, we're talking about a portion. And, as I said, if I had my druthers, we'd love to see it the ideal way. But, ideals have to be just set aside in this particular state with this particular economy. I would rather see 90% of something than 100% of nothing, which is what we're going to get if we absolutely insist on washable bottles. I think we've heard from workers from the glass bottling industry and their spokesmen. They've made very good arguments and I have to admit that. Even though we don't feel that the job loss would be what they say it's going to be, any threat of job loss is significant when you consider the numbers of these people. And, they are all voters.

ASSEMBLYMAN ALBOHN: Well, if I might comment, you know, forbidding the use of second-hand bottles, which is the reusable bottle, may be great for the glass industry, just as forbidding the sale of second-hand automobiles would be great for the automobile industry. But I think they both don't do very much good at all for the consumer and I think there are far more consumers than there are in either of the other groups. As a matter of fact, they are sort of self-duplicating, if you will.

MS. GRUBER: The cost of refilling a bottle that has been washed is much less than making a new bottle and filling it. I admit that.

ASSEMBLYMAN ALBOHN: You proved my point.

MS. GRUBER: I know. But I feel that supporting this bill, a bill for bottles that are not reused, will get a bill in New Jersey, will end our problem for now. Thank you.

ASSEMBLYMAN HOLLENBECK: Ed Lloyd, N.J.P.I.R.G.?

M A R K L O T W I S: Good afternoon, my name is Mark Lotwis and I'm from the New Jersey Public Interest Research Group. I'm on the Board of Directors, and I've done research on this issue for the last year. NJPIRG is a non-profit, non-partisan, student funded and student directed, public interest advocacy corporation working in the fields of consumer and environmental protection. I have the results of our research and would like to use this opportunity to highlight the positive effects that a Can and Bottle Bill would have for this state. The following written testimony is designed to rebut some of the arguments of the opposition in this matter. If the Committee would like information or documentation of material presented, it can and will be supplied. Thank you for your consideration of this important matter.

The first issued I'd like to address is the litter issue. The industry has always counted litter by item count rather than a volume count. This method, we think, is misleading because it equates a cigarette butt or a paper wrapper to a bottle or can.

Second of all, bottles and cans represent the least biodegradable form of litter, taking anywhere from a few hundred years to hundreds of thousands of years to degrade in our parks and state forests. On the other hand, paper takes only a few months to degrade, depending upon how much rain and what type of paper it is, etc.

The states which have deposit legislation have experienced reductions in the total amount of litter anywhere from 33% to 40%. This had led to a reduction in the cost of litter pickup in these states, and Vermont was able to save 50% of its costs in litter pickup along the state highways. In New Jersey we would probably see a similar or maybe a little more or a little less, savings for the taxpayers.

Beverage containers also make up the most dangerous form of litter. In 1976 in California, alone, 86% of the 300,000 litter-related injuries were the result of pull-tabs on cans or broken bottles.

The second area we'd like to address is the area of employment. The glass industry points to job losses in the production of throwaway beverage containers and metal suppliers. However, they fail to mention that jobs in retailing and beverage distributing has increased over the same period. A Michigan study of the effects of deposit legislation during the first year revealed a loss of 240 jobs in the areas mentioned above by the industry and a gain of 4,648 in the distribution and retail fields. These job gains will help ease unemployment where it is the worst -- in young, unskilled laborers and the hard-core unemployed.

The New Jersey Can and Bottle Bill provides for additional unemployment compensation for those laid off and incentives for the industry to retrain and relocate employees in other areas of their companies production. If refillables are banned, container production would remain the same and most likely, no jobs at all would be lost.

As Mr. James Morford of the Chamber of Commerce mentioned before -- not to propel ourselves into a catastrophic thing, he failed to mention that since 1958, when the throwaway was introduced, U. S. brewery employment has decreased from 71,700 jobs to 45,400 jobs, although output has increased 50%. Most recently, Owens-Illinois, Inc. has closed its North Bergen, New Jersey plant, laying off hundreds of workers. Clearly, left to themselves in the private market, the glass and brewery industries are reducing their labor force while the throwaway was and is the predominant beverage container.

In a study conducted by the Research Triangle Institute for the Federal Energy Administration, a net increase of 117,000 jobs would be created nationwide, with a gain of \$879 million (1974 dollars) in labor income. This would increase federal and state tax base and stimulate the economy.

It must be taken into account that 55% of the cost of a beverage is the container it is in. Even with a low estimate of 10 trips per refillable bottle, beverage container production would be cut drastically, saving energy, water and natural resources expenses for the industry and, therefore, a great savings of money.

In Michigan, prices of beer rose 9% to 10% and the prices of soft drinks rose 6% to 8% during the first 11 months of the Can and Bottle Bill. However, a Wayne County grand jury is investigating six major breweries to determine if they conspired to fix prices. In Maine, the Consumer and Anti-trust Division of the Attorney General's office has a probe in this area, which has handed down six indictments against six distributors so far.

U. S. Congressman James Jeffords of Vermont issued a report in 1977 that found that the average Vermonth family that buys refillables, saves a

minimum of \$60 per year. This is a result of Vermont companies lowering their prices 24 cents per six-pack of beer, with soft drink prices dropping to five cents lower than prices of non-deposit out-of-state companies.

A 1977 report issued by the U.S. EPA showed that beverage containers made up six percent of the nation's total post-consumer solid waste.

In Michigan, the State Department of Natural Resources reported that the total solid waste volume was reduced 4.5% as a result of the Can and Bottle Bill, and that the taxpayers would save an annual estimated \$15 million. The Connecticut DEP solid waste unit calculated a rough estimate of a five to six percent reduction in solid waste during the first year of the law.

With New Jersey running out of landfill space rapidly, a decrease in volume will help in gaining some more time to find sound answers to our future solid waste problems as landfills close down.

States with Deposit Laws have a high rate of recycling: aluminum cans 88% to 97%, steel cans 88% to 93%, and glass bottles 91% to 96%. In 1980 only 5% of glass bottles, 4% of steel cans and 25% of aluminum cans were recycled in the United States by the current recycling industry. Obviously, the Can and Bottle Bill saves a great deal of natural resources, especially bauxite and tin, two minerals the United States import in massive quantities.

In Oregon, Vermont, Michigan, Maine and Connecticut recycling on a large scale has become viable for the first time. A much stronger, more efficient private recycling industry is becoming common in these states.

As the Glass Package Institute states, the beverage containers are diverted to retail outlets. They fail to mention these outlets, turn them back to the distributor, and will receive a 20% handling fee according to the New Jersey bill. This helps compensate the retailer for his additional costs. The distributor, in turn, sells the returnables and refillables to the manufacturer who either sells them to be recycled or refills them. The sale of recyclable material helps pay for the capital investment of the manufacturer and ultimately leads to a new source of revenue after the investment has been paid off.

Litter control/recycling laws are an alternative that addresses the whole litter problem.

First of all, these are more commonly called Litter Taxes. The money is generated by taxing certain items that contribute to litter. The manufacturer then turns the increased cost along to the consumer.

Litter Taxes tax unfairly because all of the people who do not litter must pay this additional cost when purchasing the item. Litter Taxes also do not encourage people to pick up litter on their own, such as the Can and Bottle Bill does.

A new state bureaucracy is created, as in California, where \$1 million was spent disbursing \$12 to \$18 million available. New Jersey does not need another tax consuming bureaucracy to deliver money to workers who can only help the litter problem in the warm months of the year.

Colorado, Kentucky, Arkansas and Connecticut have repealed their litter taxes because they were unworkable and they taxed businesses which only remotely contributed to the litter problem. No one state which has beverage container legislation has ever repealed it, and in 1979, the voters of Maine overwhelmingly rejected a repeal of their bottle bill by an 84% to 16% margin.

Thank you very much.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Sir. Any questions for Mr. Lotwis?

Jack Garrity, Beer Wholesalers' of New Jersey who will probably be the last testifier.

J O H N J. G A R R I T Y: Mr. Chairman, members of the Committee, ladies and gentlemen, I am Jack Garrity, Executive Director of the Beer Wholesalers' Association of New Jersey. Our association represents 95% of the beer wholesalers in the State of New Jersey. We appreciate the opportunity to appear here before you and offer our reasons why we are opposed to the enactment of forced container deposit bills. In our opinion, based on the experience of other states, it is bad legislation and will not accomplish the objectives of substantial total litter reduction or selected litter reduction in a cost effective manner. There are better ways as we shall point out.

These bills address soft drink and beer containers only. In other words, they speak to only 20% of the total visible litter. Ninety-three percent of all beer and soft drinks are consumed in the homes, private property and sports arenas. They are disposed of properly. What we see as litter is less than 2% of the containers sold and is the work of uncaring, irresponsible and uncouth individuals who have no regard for the 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 dispose of trash and beverage containers responsibly. This legislation 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 has been increased to cover the additional handling costs by 30¢ to 40¢ per six-pack or \$1.20 to \$1.60 per case. Add the inconvenience of having to find suitable carriers to transport them back to the stores and having to wait while they are checked by a clerk.

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. These vermin infested containers are then brought back from all types of areas to the place where people buy their other food items. Controlling vermin in empty food containers is a nightmare for exterminators.

The higher costs that occur must be passed onto consumers. Wholesalers need extra trucks to have room to haul the empty containers back from retailers. Now, they can send out a full truck. 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 from retailers as they make their deliveries. Delivery efficiency is destroyed, making for higher delivery costs. In some cases, there is required a separate empty run to pick up empties. Retailers and wholesalers will have to add more storage space for the empty containers.

They will have to be protected and secured because they represent money, and carelessness and negligence can result in substantial losses to both retailer and wholesaler. If they are not careful, they may be redeeming the same packages many times over. More fuel will be used by wholesalers in the delivery and pickup.

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 of soft drinks and beer are easily accessible to New Jersey residents with a car.

Currently some Pennsylvania beer and soft drinks come into New Jersey. This will be greatly accelerated if these bills are enacted. It would indeed happen by an unfortunate piece of legislation. Most of the proponents of this type of legislation see only one narrow aspect of the entire situation, the visible litter along the road, parks and occasionally, the can or bottle thrown on their own property. Given the choice, I'm sure the average Michigan citizen would 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 and returning for redemption.

Much of the litter in parks and public areas is due to inadequate number of receptacles and their proximity to the activity of those using the public areas. There aren't enough receptacles, and in some instances, 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.

States that have adopted deposit legislation have found themselves in the situation of having to employ 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 than to have to burden the public with deposits, higher costs, product 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 cost 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 misled. Forced deposits mean higher prices to consumers as much as 15% to 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 and they deal with only 20% of the visible litter and the cost to do that is prohibitive.

I have copies of a few publications dealing with the litter problem and forced container deposits, which I would like to leave with you.

We commend the committee for holding these hearings so that all sides of this controversial issue may be heard. We appreciate the opportunity to present our viewpoints.

Thank you.

AUDIENCE: (Applause)

ASSEMBLYMAN HOLLENBECK: Thank you, Mr. Garrity. Ladies and gentlemen, we've had our last testimony for the day.

As I announced earlier, the next public hearing dealing with deposit legislation will held on August 25th in Millville, which is in Cumberland County, at the Borough Hall. We will be receiving more testimony concerning deposit legislation at that time.

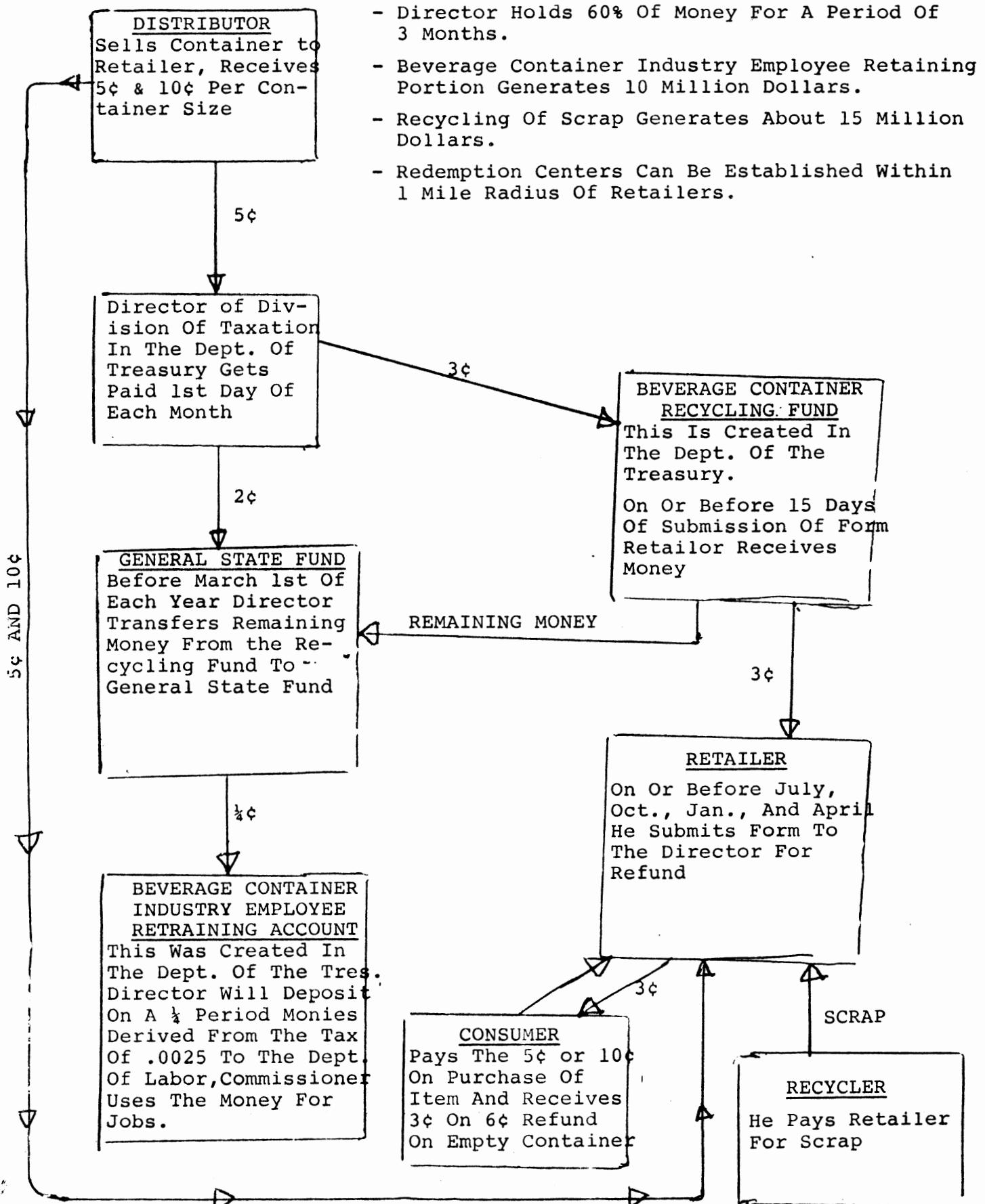
We would like to thank you for your attentiveness. You can be assured that the Committee is out seeking information. We appreciate the people who have taken the time to testify before this Committee. For those of you who wanted to present testimony and time would not allow it, if you have written testimony that you would like to submit to the Committee, we will have it put into the record. Please come up and give it to Al Matioska, or the record will be held open for at least one more week. Have it mailed to the Committee in Trenton.

Those of you who have not testified here today and want to go, we'll try to put you on a preference list. Those of you who have testified once -- you won't get two shots.

(Hearing concluded)



- There Are 4 Billion Containers Used In The State Of New Jersey.
- Every 1¢ Generates 40 Million Dollars.



There are 4 billion container in N.J. used per year at 5¢. It generates 200 million dollars.

1. Collects and holds deposits 6-10 weeks
2. Unclaimed deposits 5 to 10%
3. Income from material for recycling

(Distributor generates about 50 million dollars)

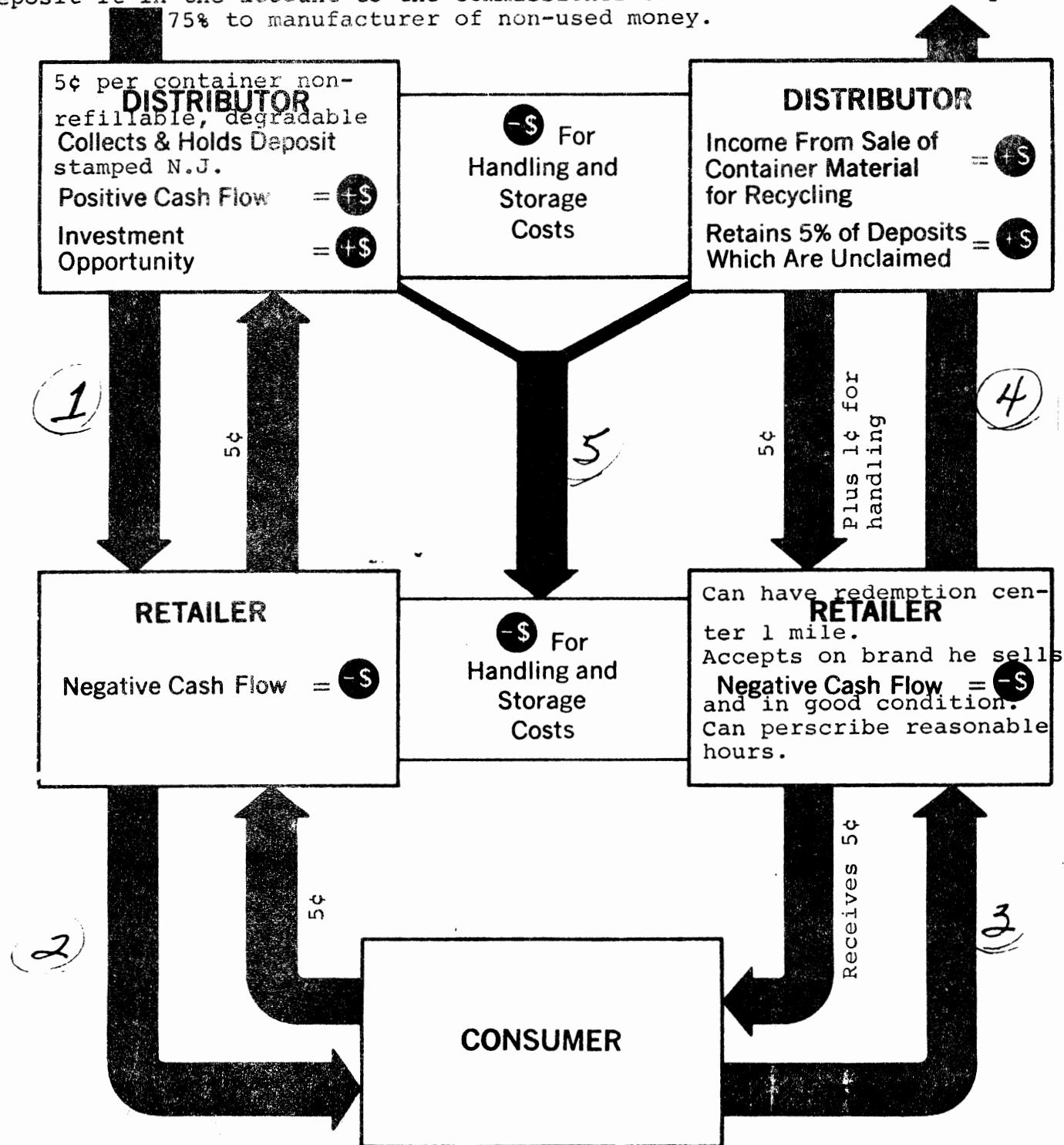
## Beverage Containers and Deposits:

### The Need for a Retailer Compensation Within a Beverage Container Deposit Law

A-1753

With the exception of refillable bottles which need to originate with the manufacturer, the deposit shall originate and terminate at the distributor level . . .

Manufacturer-pays  $\frac{1}{4}$  to Retraining Account for 2 years to Beverage Container Industry Employees Retraining Account on  $\frac{1}{4}$  basis to State Treasury and he will deposit it in the account to the Commissioner of Labor. State Treasury return 75% to manufacturer of non-used money.



## THE MECHANICS & ECONOMICS OF A DEPOSIT SYSTEM FOR BEVERAGE CONTAINERS

This chart was produced to demonstrate that retailers justifiably need compensation under the system because they experience only costs and yet have no income opportunities. However, when one follows the flow of the deposit through the system and adds the economics of the numbers of containers multiplied by the amount of the deposit — it also becomes obvious that in fact, substantial income is generated at the distributor level!

The primary point is that the income generated is, at least, enough to pay for the costs of the system — at both the distributor and the retail level — which is why the law requires the distributor to pay a handling fee to the retailer to "redistribute" the income opportunities.

The chart's flow begins at the upper left and moves in a near circle counter-clockwise, although each step involves two directional 'flows' - the containers moving in one direction and the deposit in the opposite direction. The chain starts at the distributor (or "wholesaler") level.

Note: Soft drink bottlers are both the manufacturer (bottler) of the beverage and the distributor; the beer industry has an additional layer — the brewery which delivers to the distributor. The only exception to the deposit beginning at the distributor level would occur with refillable bottles which need to return to the brewery.

(1) The distributor sells the containers (full of beverages!) to the retailer — who pays the deposit up front to the distributor. Let's look at the effects at this point:

- 1) The distributor has a positive cash flow — and investment opportunity.  
Add the economics: industry tells us that last year 101 billion containers were sold; let's round to 100 billion, which multiplied by a minimum five cent deposit generates \$5 billion for the distributors nationwide. That is a very significant amount of money! — and since it takes two to three months for the containers to work their way back to the distributor and more have been sold in the interim, the distributors will have a perpetual fund to invest!
- 2) The retailer has experienced a 'negative cash flow'. Important to note: the retailer will get the money back when:

(2) The retailer sells the containers to the consumer — and collects the deposits.

Now we are at the bottom of the chart — at the consumer level. We know, from the experience in six states with operating deposit systems, that consumers return 90 - 95% of the containers to the retailers and the retailers refund the deposits to the consumers. Note: the 5 - 10% of the containers not returned are lost at this point and do represent the "polluter pays principle" at its very best. It is the consumer who chooses to throw out the containers while driving down the highway or who chooses not to participate and throws them into the garbage who loses the five cent deposit per container.

(3) But let's follow the flow of those 90 - 95% of the containers which are returned to the retailer: the deposit is refunded to the consumer — and the retailer again experiences that 'negative cash flow' — plus the retailer will also experience the costs of employees' time to redeem, handle, and sort the containers. The retailer will also have storage costs (space must somehow be allocated — even if it is only for a short time).

(4)

The retailer now returns the collected containers to the distributor -- and receives a refund of the deposit amount for every container being returned (the exact same number of containers for which the retailer just paid out refunds to consumers!) Let's look at an example:

- A consumer may stop at a "convenience" type market on the way home from work. S/he pays the deposit. The convenience store is now even -- it paid the deposit originally to the distributor and has now collected it back.
- Later, the consumer may return the containers to a neighborhood supermarket and collect the refund. The consumer is even -- s/he paid a deposit, returned the containers, and received a refund.
- The supermarket now has the containers and will be reimbursed for the deposit just refunded when the containers are returned to the distributor.

NOTE: Both of the retailers in this example paid out and was reimbursed and the consumer paid out and was reimbursed. As long as each link of the chain participates, no money is lost.

However, the retailers have experienced costs and have no income opportunities available. In a moment, we'll see a solution to that problem, but let's first examine the income realities for the distributor at the end of the deposit system:

First) Five to 10% of the containers simply don't come back (and therefore the deposits for them are "unclaimed". Five to 10% of the \$5 billion (originally collected at the distributor level) is \$250 to \$500 million dollars!! The distributors just keep those unclaimed funds -- a constant new flow of income!

Second) The really significant income opportunities, however, are to be realized in the value of the returned materials (which used to go from the distributor to the retailer to the consumer to the garbage and into our landfills!) The distributors now have 90 - 95 billion beverage containers on their doorsteps -- and the containers belong to them! All those materials: aluminum (approximately half of the containers), steel, plastic, and glass can be sold for their current market value -- another new and constant flow of income!

It is true that the distributor experiences handling and storage costs also; however, not only do all the income opportunities occur at the distributor level, but there is more than enough income to cover distributor costs and to compensate the retailers for their costs.

(5)

The current bill that has been introduced at the federal level calls for a two cent per container handling fee -- to be paid to the retailer by the distributor over and beyond the full refund of the deposit. The handling fee has worked successfully in four states, and this experience seems to indicate that two cents is adequate compensation.

A further note: The recent U. S. General Accounting Office study reports that income and costs over the first year should equalize. Therefore, since some of the costs are capital investment costs, after the first year the annual income opportunities should exceed the operating costs of the system for both distributors and retailers alike. The same basic conclusion was reached by the nationally respected C.P.A. firm of Arthur Young & Co. in a study done for the beverage industry.

Final thought: Considering this, why don't the distributors support this law? ANSWER: BECAUSE THEY HAVEN'T SEEN THIS CHART!! Unless distributors have worked with refillables on a large scale and/or have had reason to be involved in the recycling market in large volumes -- there is no basis for them to be aware of the profits of the system.

STATEMENT BY  
ASSEMBLYWOMAN LEANNA BROWN  
before the  
ASSEMBLY ENERGY AND NATURAL RESOURCES COMMITTEE  
PUBLIC HEARING  
JULY 14, 1982

"BOTTLE BILL LEGISLATION"

As sponsor of A-533, one of the pending bottle bills before your committee for consideration, I support whole-heartedly passage of this legislation, if not my bill than a reasonable substitute. A bottle bill is needed for three primary reasons: (1) to reduce unsightly and possibly dangerous litter on our roadways, roadsides and other exterior areas; (2) to help preserve the life of our remaining land fills and reduce the cost of their operation; and (3) to prevent unnecessary waste of our energy sources and natural resources.

My principal purpose for testifying today, however, is to make the Committee aware of wide-spread public support for passage of a bottle bill. Last year, in a questionnaire sent to residents of my legislative district, to which 3,300 persons responded, 73% of the respondents indicated support for a bottle bill.

Local public officials also favor the bill. SWAC, the Solid Waste Advisory Council of Morris County, with the expressed approval of the Morris County Board of Freeholders, provided both advice and assistance in the drafting of my bottle bill. Several local municipalities have endorsed passage of a bottle bill by formal resolution: Bloomingdale, Boonton Township, Butler, Chatham Township, Lincoln Park, Morris Plains and Morris Township.

Thus it is apparent that there exists both a need and public support for passage of a bottle bill. I ask that your Committee recommend that this legislation be passed during the current Assembly Session.



# Sierra Club

NEW JERSEY CHAPTER  
360 Nassau Street, Princeton, N.J. 08540  
(609) 924-3141

July 14, 1982

## TESTIMONY BEFORE THE ASSEMBLY COMMITTEE ON ENERGY AND NATURAL RESOURCES HEARING ON MANDATORY BEVERAGE CONTAINER DEPOSIT LEGISLATION

My name is Albert Kent. I represent the New Jersey Chapter of the Sierra Club. I am here today to give support to the adoption of a beverage container deposit law similar to those passed in nine other states calling for refund values to be placed on glass, metal and plastic beverage containers.

Given New Jersey's present problems of litter control and solid waste disposal, we see the benefits of a deposit law as follows:

1. A 5% reduction in solid waste to be collected and transported.
2. A like reduction in solid waste entering landfills.
3. Recovery of raw materials equalling nearly 25% of the potential for all materials recovery as estimated by the New Jersey Office of Recycling.
4. Reduced energy consumption in the order of 25% of the total system energy use in the beverage industry.
5. An 85% reduction of beverage container litter on roadsides, parks, playgrounds and other open space.
6. A total litter reduction of around 40%.
7. 3000 to 4000 new jobs in receiving, handling and recycling of beverage containers.

We consider litter reduction an extremely important one of these benefits. It is the main reason that container laws have been passed in other states. Beverage container litter is not only a large portion of litter but is the most obnoxious, hazardous and non-degradable.

We are pleased to submit today a report entitled "A Beverage Container Deposit Law - the Missing Ingredient in New Jersey's Litter Abatement and Recycling Plans". It was prepared by the Sierra Club in cooperation with the New Jersey Environmental Lobby, New Jersey League of Women Voters, New Jersey Public Interest Research Group and the New Jersey Recreation and Park Association.

Included in the report are copies of six editorials from New Jersey newspapers calling for adoption of a can and bottle bill.

There are also letters supporting deposit legislation from Governors Milliken of Michigan, Brennan of Maine and Ray of Iowa. The enthusiastic comments of these governors indicate the popularity of the laws in their states. In fact, Governor Brennan notes that an effort to repeal Maine's law two years after it was enacted was defeated in a referendum by 227,000 to 41,000 votes or a 5 to 1 ratio.

Also included in the booklet is a list of 124 New Jersey towns and cities which have passed official resolutions requesting the Legislature and Governor to enact a deposit law. These towns range from large communities like Hoboken, Elizabeth and New Brunswick down to rural villages like Hope, Harmony and Independence Township. And they cover the State from Branchville and Sussex in the north to Hammonton, Bordentown and Swedesboro in the south. In addition, we list ten county boards of free-holders who have passed resolutions from Bergen and Passaic Counties in the north to Burlington and Gloucester in the south.

There are several special points we wish to mention. First, we wish to express our total opposition to any of the often proposed alternatives to a deposit law such as a litter tax, a Clean Communities System, Keep

America Beautiful program or other approach put forward by the beverage industry to sidetrack the State away from a deposit bill. Our opposition is based on our belief that these programs are largely ineffective and that the removal of beverage cans, bottles and broken glass by means of a deposit law is the essential first step in ultimate control of all litter. Litter taxes, incidently, have been passed and then repealed in California, Colorado, Kentucky, Arkansas and Connecticut. One was rejected in New York when Governor Cary signed that state's deposit bill.

Secondly, our Club has agreed that in order to address the problems of the glass industry and their employees, it is willing to support a provision banning the refilling of containers, thus reducing the concern that one refillable bottle may replace 10 or more of the existing single use containers. We feel that while this concession will result in a lesser saving of energy, we will none-the-less achieve considerable energy saving through the recycling of materials plus all the other benefits of a deposit law. This ban on refilling is included in the proposed A-1753.

Finally, we wish to thank Assemblyman Albohm for his enthusiastic support of container legislation and his introduction of A-78 which environmentalists had a share in drafting in its previous incarnation as A-3026. We also thank Assemblyman Paterniti whose A-1753 was more recently prepared with assistance from environmental friends. A-1753 is a close relative of A-78 and is the formulation now favored by our organization.

We thank you for this opportunity to address this Committee.

A BEVERAGE CONTAINER  
DEPOSIT LAW  
  
THE  
MISSING INGREDIENT  
  
IN  
NEW JERSEY'S  
LITTER ABATEMENT AND  
RECYCLING PLANS

A REPORT TO THE GOVERNOR AND LEGISLATURE OF  
THE STATE OF NEW JERSEY  
PRESENTED BY THE  
NEW JERSEY CHAPTER OF THE SIERRA CLUB  
TOGETHER WITH THE  
NEW JERSEY ENVIRONMENTAL LOBBY  
NEW JERSEY LEAGUE OF WOMEN VOTERS  
NEW JERSEY PUBLIC INTEREST RESEARCH GROUP  
NEW JERSEY RECREATION AND PARK ASSOCIATION

July, 1982

## TABLE OF CONTENTS

I	Summary	1
II	Container Deposit Laws	2
III	The Significance of Refillable Containers	3
IV	Need for and Benefits of a Beverage Container Deposit Law in New Jersey	4
	Litter Reduction	4
	Cleanup Cost Reduction	5
	Recycling	6
	Landfill Conservation	6
	Resource Recovery Plants	7
	Refuse Collection and Disposal Costs	7
	Energy	7
V	Effects on Employment and Prices	8
	Employment	8
	Prices	9
VI	Deposit Laws in Other States	10
	Litter	10
	Solid Waste	10
	Recycling	10
	Consumer Costs	11
	Sales	11
	Public Opinion	11
VII	How the Beverage Industry Opposes Deposit Laws and Sidetracks States into "Better" Alternatives	12
	Claims that Deposit Laws Are Ineffective	12
	Alternatives	13
	Keep America Beautiful and the Clean Communities System	13
	Litter Tax	14
	Beverage Industry Recycling Program	14
	Addenda	
	Bibliography	
	Towns and Counties Which Have Passed Resolutions	
	Resolution	
	Editorials	
	Letters from Governors	

"Did you say this is called the Garden State?"

visitor from Oregon

I

SUMMARY

New Jersey is faced with critical, interrelated problems of solid waste disposal including a severe litter blight, shortage of landfill space, mounting disposal costs, pollution from landfills, and loss of reusable materials.

Beer and soft drink containers, which form a significant part of municipal waste and a large and growing portion of litter, can be substantially removed from the waste and litter stream by means of a mandatory beverage container deposit law.

The deposit system was in universal use a generation ago, is still voluntarily used in many states outside New Jersey, and is successfully mandated by law in six states.

We believe the litter abatement program in New Jersey will fail and the State recycling program will not reach its full potential unless both are undergirded by a container deposit law.

We further believe that the benefits of a deposit law in litter control; solid waste reduction; energy, materials and landfill space conservation; and employment opportunities will far outweigh customer inconvenience, price increases or negative effects on industry or labor.

II

CONTAINER DEPOSIT LAWS

Commonly called "bottle bills" or "can and bottle bills", beverage container deposit laws require that a refund value, usually a minimum of five or ten cents, be placed on beer and soft drink cans and bottles to encourage their return to sellers for the purpose of reducing litter and promoting recycling.

Additional features of deposit laws may include bans on snap-off tabs and non-degradable connecting rings on cluster packs, handling charges payable by bottlers or distributors to compensate retailers for extra costs of processing returned containers, and provisions for redemption centers as alternative locations for the return of containers. Some bills include funds for retraining or relocating workers certified as having lost their jobs as a result of the law.

One bill introduced in New Jersey would ban the refilling of containers.

### III

#### THE SIGNIFICANCE OF REFILLABLE CONTAINERS

Refillable glass bottles with a refund value were almost the only containers used for beer and soft drinks until after World War II. They are still in use for around 20% of beverage sales nationally although practically none at all are now used in New Jersey. Cans and plastic bottles are not capable of being refilled on a production basis.

The energy and overall cost efficiency of refillable glass containers have for the most part yielded to customer convenience in establishing single use, no deposit cans, plastic bottles and light weight glass bottles as the dominant forms of containers.

In the six states which now require refund values on beverage containers by law, there has been a trend, especially by soft drink bottlers, to return to the use of cheaper refillable bottles because the sales advantage of the disposable container has been lost.

Since one refillable glass container can be used for an average of ten or more fillings, refillables obviously pose a threat to container manufacturers. And since New Jersey is a major producer of glass containers, opposition by the glass industry here has been particularly strong even though only a portion of the New Jersey bottle production is consumed within the State.

(Intrusions by plastic bottles are another factor clouding the picture for the New Jersey glass industry.)

A container deposit bill with a ban on refilling containers should eliminate fears of the glass industry and glass workers that a New Jersey law would significantly affect glass bottle sales volume.

## NEED FOR AND BENEFITS OF A BEVERAGE CONTAINER DEPOSIT LAW IN NEW JERSEY

Litter Reduction

New Jersey suffers from a severe litter blight. Debris of all kinds disfigures and degrades our landscape, and where cleanup is performed, litter rapidly reaccumulates. Litter maintenance on State highways has been largely abandoned with depressing results.

Beer and soft drink bottles and cans comprise a large, obnoxious and dangerous portion of litter. 40% is a typical fraction reported for roadsides and open areas frequented by the public. At specific recreational areas, the figure may run 80% and more. Beverage containers are also among the least degradable portions of litter. Unlike paper and cardboard which gradually disintegrate in sunlight and rain, beverage containers remain until physically removed. And unlike paper and plastic film, they do not compact in the litter pickup process.

The Delaware River and Pinelands streams, woodland trails, picnic sites, playgrounds, parks, schoolyards, urban lots, local roads and interstate highway exit ramps are places where container litter is especially heavy and particularly offensive.

A highly hazardous element of beverage container litter is broken glass. No longer may children run barefooted through fields or along streams without the danger of lacerated feet from broken bottles. And broken glass is a menace on highways to drivers who may swerve to avoid it or pick it up in their tires. Cyclists become discouraged by repeated flat tires caused by small pieces of glass.

Constant exposure to litter depresses the spirit in unmeasurable but, we believe, serious and harmful ways. It has been for reasons of litter reduction alone that most can and bottle bill states have enacted their container deposit laws.

Excessive quantities of litter foster an image of New Jersey as a dirty state. This works to the disadvantage of the tourist industry and the promotion of New Jersey as a desirable place for business managers and entrepreneurs to locate quality business establishments.

Experience elsewhere indicates that reductions of beverage container litter in the order of 80% to 90% and reductions of total litter in the order of 40% and more can be realized in New Jersey through a beverage container deposit law.

#### Cleanup cost reduction

Reliable data for cleanup costs are not easily obtainable. One of the problems is that cleanup is often simply not done or is inadequate. New Jersey highway cleanup, for instance, was largely abandoned in 1981. The cost here is born by the public in enduring the litter and is not measurable in dollars.

In any event, costs for actual and potential litter maintenance on State, county, local and private levels clearly run to many millions of dollars.

Given that beverage containers represent some 40% or more of litter, we believe cleanup cost reductions of 25% or more could be realized through a deposit law.

### Recycling

A beverage container deposit law will make a major contribution to New Jersey's recycling efforts.

With a return rate of over 90%, the deposit system would result in the recycling of aluminum, glass, steel and plastic amounting to about 5% of the municipal waste stream. Since the total potential for recycling with curb-side collection and without a deposit law has been estimated by the State Recycling Office at 1.3 million tons per year or 21% of the municipal waste stream, the contribution of the deposit system alone would amount to nearly 25% of the potential. Municipal programs would be left free to concentrate on newsprint, the remaining glass and other recyclable materials.

Inroads of plastic containers into the use of glass bottles will reduce the weight of container waste but not the volume.

Recent discoveries of possible serious errors in reported waste tonnages should not change the estimated effects of deposits on recycling which is well supported by data from other states.

### Landfill Conservation

Landfill space conservation is a key problem in New Jersey. As indicated above, with a 90% return of containers, we would expect a reduction in municipal landfill material of about 5%.

### Resource Recovery Plants

Prior removal of the maximum amounts of glass and aluminum will be important to the proper operation of resource recovery plants. These plants will primarily serve to extract energy from waste and to reduce volume. They have not been effective in separating aluminum and glass. A deposit law will help to insure the most efficient operation of these installations.

### Refuse Collection and Disposal Costs

The projected reduction of beverage containers in the municipal waste stream of about 5% should result in proportionate reductions in municipal trash collection costs.

### Energy

A deposit system will entail both increases and decreases in energy use in various stages of beverage and container production and distribution.

Bases on a study by the General Accounting Office in 1980, we would expect energy savings in the New Jersey total beverage production and distribution system of over 33% with refilling of containers permitted and over 24% with refilling banned.

## EFFECTS ON EMPLOYMENT AND PRICES

Employment

A necessary and immediate result of conversion to a refund system would be increased employment in retail, distribution and recycling operations to receive and process returned containers. Based on figures from Michigan and elsewhere, nearly 4000 additional jobs would be created in New Jersey.

If no change took place in the container mix, i.e. the percentages of the various types of metal, glass and plastic containers used by bottlers, job losses, if any, would be related to whatever small and transitory sales losses might occur as the public adapted to the refund system. This situation should prevail if refilling of containers is banned.

If, on the other hand, refilling is allowed, a trend might develop toward the use of refillable glass containers which make ten or more trips apiece, and job losses might gradually appear in the glass industry.

Employment data for New Jersey's glass manufacturers is difficult to secure. However, we assume there to be about 8000 persons employed in this industry of whom perhaps 4000 are involved in the production of beverage containers. Since New Jersey is a net exporter of bottles, we further assume that only 1500 of the workers are involved in production for in-state use. Inroads by plastic bottles may reduce this number even further well before a deposit law would have any effect.

Our guess is that with a ban on refilling, no job losses would occur due to deposits, and with refilling permitted, losses would run to only a few hundred over a period of two or three years. Normal attrition might accomodate all or most of these.

There should be a net gain of between 3000 and 4000 jobs in the State following the conversion to the deposit system.

Prices

Based on the New York State Office of Planning and Development Report and other information, we would predict a price increase for 12 ounce containers of beer or soft drinks in the order of 2 cents. The deposit law would offset these amounts through reduced costs of litter control, litter injuries, solid waste disposal and environmental intangibles.

## DEPOSIT LAWS IN OTHER STATES

Since 1972 six states, Maine, Vermont, Connecticut, Michigan, Iowa and Oregon, have put container deposit laws into effect. Three more, Massachusetts, New York and Delaware, have passed laws which go into effect in the near future.

Ample documentation of the effects of these laws has been assembled in various government and other reports. We summarize some of these effects here. A bibliography is added at the end of this booklet.

Litter

Beverage container litter reduction has been recorded at from 77% to 86%. For Michigan, the reduction for highways was 80% in the first year. Much of the remaining 20% was from non-deposit containers from adjoining states.

Solid Waste

Michigan reports a 4.5% reduction in municipal solid waste attributable to container legislation. In Connecticut, officials report a 5% to 6% reduction. New York assumes they would realize a 6% reduction. All deposit states report at least 90% return of containers.

Recycling

88% to 93% of all steel beverage cans, 91% to 96% of glass bottles and 88% to 97% of aluminum cans are being recycled in deposit states.

### Consumer Costs

Reports on both price change experience and price change projections in various reports show wide variations. The 1982 New York State Report interprets the available information and projects increases for New York per 12 ounce container of 2 cents for beer and  $2\frac{1}{2}$  cents for soft drinks.

Offsetting these increases are the reduced external costs of litter control, litter injuries and solid waste disposal and the less tangible costs of environmental degradation, effects on tourism and diminished attractiveness of the State to new enterprises.

### Sales

Beverage sales have generally experienced a transitory reduction of growth or a small absolute reduction followed by renewed and continued growth.

### Public Opinion

Deposit laws have been popular where enacted. In Maine and Michigan they were passed by public referendum with support growing after the laws went into effect. An attempt to repeal Maine's law was defeated by a margin of 5 to 1, the most decisive vote on a referendum in Maine's history.

Polls in Oregon, Vermont, Maine and Michigan have shown from 78% to 90% approval. Iowa shows a low support level of 56% although this is said to be rising as problems with the system have been worked out.

VII

HOW THE BEVERAGE INDUSTRY OPPOSES DEPOSIT LAWS AND SIDETRACKS STATES  
INTO "BETTER" ALTERNATIVES

Beverage industries, including container manufacturers, bottlers and retailers, vigorously oppose can and bottle laws and have spent millions of dollars to forestall or defeat them. They succeeded in delaying passage of laws in present can and bottle bill states for many years - 10 in New York.

In addition to direct objections on grounds of discrimination and harm to their business, the industry claims that deposit laws are ineffective in meeting litter control and recycling goals. They propose "better" alternatives which they offer to help put into effect.

Claims That Deposit Laws Are Ineffective

Such assertions as, "Beverage litter is only a part of total litter," or, "Deposit laws won't result in recycling of the non-beverage fraction of container waste," are made by the industry in an effort to belittle the effects of a deposit law. Statistics are presented in an effort to show that beverage container litter is only a small fraction of total litter and that cleanup and other benefits of container laws have been slight.

The industry will, for example, claim that beverage litter is only a 10% or 20% fraction of total litter even though government reports typically speak of a fraction of around 40%. The definition of litter,

the method of measurement (piece count, weight, loose volume, compacted volume, etc.) and the system of making the survey can all be controlled to give almost any numerical result.

A healthy scepticism should be maintained in examining these presentations.

#### Alternatives

The beverage industry has been especially aggressive in proposing "alternatives" to deposit bills as more effective in achieving litter or recycling goals. These alternatives generally have intrinsic merit, and some can be useful in conjunction with a deposit law, but standing alone they have always failed to meet deposit bill objectives.

#### Keep America Beautiful and the Clean Communities System

Keep America Beautiful was founded in 1953 as a cooperative litter prevention venture of industry and public interest groups. By the mid-seventies it became apparent that industry dominated the organization and was using it to oppose deposit laws.

After American Can Company president William May denounced deposit bill proponents as "communists" at a KAB board meeting in 1976, public interest groups including the League of Women Voters and the Sierra Club left the organization. Since then, KAB has been regarded as one of the beverage industry's leading tools in opposing deposit bills.

KAB's Clean Communities System efforts have been largely public relations affairs with service clubs and Chamber of Commerce boosterism pumping up enthusiasm for volunteer cleanups. Posters, slogans, garbage can painting contests and TV and radio spots have constituted "public education" and promoted "behavior modification".

These activities have not produced sustained results in more than a handful of communities. None-the-less, elements of the Clean Communities program such as property maintenance code upgrading and systemitized improvements in municipal services could well serve to complement a mandatory deposit law.

#### Litter Tax

Another favorite "alternative" of the beverage industry, the litter tax, is imposed on products which tend to contribute to litter and is used to help pay for cleanup. Typically, however, the tax has not been proportioned to the actual contribution of the products involved and has never been large enough to come close to paying cleanup costs. It penalizes the non-litterer, does nothing to promote recycling and requires a large bureaucracy to collect and apportion funds.

In Washington State, which the industry has long touted as the premier example of effective litter control through a litter tax, former Governor Dixie Ray Lee said near the end of her term that litter along the highways was a "disgrace" and "worse than I have ever seen it."

Complaints from business have spelled the demise of the litter tax in most states.

#### Beverage Industry Recycling Program (BIRP)

Recycling is a concept almost universally supported. With New Jersey's acute landfill shortage, it was small wonder that the New Jersey Recycling Act (A-2283) sailed through the Legislature with hardly a murmur from the environmental community. During the workup of the State Recycling Plan, some ten or so members of the Recycling Advisory Commission did argue for inclusion of a deposit bill but were outvoted by the industry dominated majority. This was another victory for the beverage industry.

From the beverage industry point of view, involvement in a statewide recycling program is an important way of thwarting a can and bottle bill. Industry helps lay out a recycling program and promises a market for recycled container material. The state sees a way to reduce solid waste while avoiding a confrontation with a large business and so agrees to back off from considering a deposit law. This is what happened in New Jersey. Through the landfill tax the New Jersey citizen funds the very program which tends to guarantee that he will be permanently burdened with beverage litter and beholden to the beverage industry for the functioning of the recycling program.

We support State efforts to establish municipal recycling programs with mandatory curbside pickups where feasible, but regard a deposit law as a necessary component of a truly successful recycling effort. Recycling won't touch litter, and it won't begin to reach its full materials recycling potential without a beverage container deposit law.

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# Sierra Club

NEW JERSEY CHAPTER  
360 Nassau Street, Princeton, N.J. 08540  
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CAN AND BOTTLE BILL RESOLUTIONS  
PASSED BY THESE TOWNS

ATLANTIC  
Hammonton  
Egg Harbor City  
Northfield

BERGEN  
Leonia  
Waldwick  
Teaneck  
Ridgewood  
Mahwah  
River Edge  
Westwood  
Wyckoff  
Paramus  
Ridgefield Pk  
Cresskill  
Midland Park  
Little Ferry  
Lodi  
Lyndhurst  
River Vale  
Englewood Cliffs  
Palisades Park

BURLINGTON  
Shanong  
Woodland  
Bordentown  
Lumberton  
Hainesport

CAMDEN  
Audubon Park  
Winslow  
Barrington

ESSEX  
Bloomfield  
Livingston  
Cedar Grove  
Fairfield  
Montclair  
North Caldwell  
West Orange  
Maplewood  
South Orange

GLOUCESTER  
Mantua  
Wenonah  
Greenwich  
Swedesboro  
Deptford

HUDSON  
Hoboken

HUNTERDON  
Clinton Town  
East Amwell  
Glen Gardner  
Clinton Twp  
Raritan Twp

MERCER  
Princeton Boro  
Princeton Twp  
Hopewell

MIDDLESEX  
So Plainfield  
Woodbridge  
Sayreville  
Highland Park  
Edison  
Cartaret  
So Brunswick  
Dunellen  
Cranbury  
Jamesburg  
New Brunswick

MONMOUTH  
Aberdeen  
Ocean Twp  
West Long Br  
Rumson  
Tinton Falls  
Hazlet  
Keyport  
Oceanport  
Howell  
Union Beach  
Matawan  
Manalapan  
Marlboro  
Allentown  
Millstone

MORRIS  
Mendham Boro  
E Hanover  
Lincoln Park  
Chatham Twp  
Passaic Twp  
Netcong  
Denville  
Pequannock

OCEAN  
Lavallette  
Seaside Park  
Jackson  
Point Pleasant  
Surf City

PASSAIC  
Wayne  
Bloomingdale  
W Paterson  
Prospect Park

SOMERSET  
N. Plainfield  
Bridgewater  
Manville  
Millstone  
Warren

SUSSEX  
Sussex  
Branchville  
Andover Twp  
Green Twp  
Vernon

UNION  
Plainfield  
Union  
Berkeley Hts  
Elizabeth  
Roselle Pk  
Fanwood  
Garwood  
Rahway  
Scotch Plains

WARREN  
Independence  
Pohatcong  
Alpha  
Allamuchy  
Lopatcong  
White  
Washington Bo:  
Phillipsburg  
Hope  
Harmony

COUNTY  
FREEHOLDERS  
Bergen  
Essex  
Morris  
Monmouth  
Burlington  
Union  
Passaic  
Warren  
Mercer  
Gloucester

RESOLUTION ON RETURNABLE BEVERAGE CONTAINERS

WHEREAS, Metal, glass and plastic beverage containers make up a significant portion of the litter which blights our roadsides, parks, playgrounds, fields, streams and other public and private open space; and

WHEREAS, The cleanup of such litter is a burdensome state and municipal expense which consumes labor which might otherwise be put to more constructive uses; and

WHEREAS, The use of throwaway aluminum, steel, glass and plastic containers causes excessive consumption of energy and raw materials in container manufacturing; and

WHEREAS, The disposal of such containers uses limited available landfill space and entails significant collection and cartage costs and disposal fees; and

WHEREAS, Broken glass from discarded glass beverage containers is a serious health and safety hazard and is a cause of damage to automotive and bicycle tires and to farm equipment; and

WHEREAS, Legislation in 8 states provides incentives for recycling of beverage containers by requiring a refund value on all such containers; and

WHEREAS, Such legislation has resulted in dramatically reduced amounts of broken glass and other litter on roadsides and elsewhere, has reduced consumption of energy and raw materials, and has provided increased employment in the recycling industry; now, therefore,

BE IT RESOLVED by \_\_\_\_\_ :

That the concept of mandatory beverage container deposit legislation is hereby endorsed; and

That the Legislature and Governor of the State of New Jersey are urged to adopt such legislation; and

That the Secretary of this body is directed to forward copies of this resolution to appropriate legislators and to the Governor of this State.

(Resolution endorsed by the Sierra Club, New Jersey Environmental Lobby, League of Women Voters, Public Interest Research Group, New Jersey Recreation and Parks Association)

Note: A copy sent to "Bottle Bill", 360 Nassau Street, Princeton, NJ 08540 would be appreciated.



STATE OF MICHIGAN

OFFICE OF THE GOVERNOR

LANSING

WILLIAM G. MILLIKEN  
GOVERNOR

March 22, 1982

Mr. Albert Kent  
Container Deposit Committee  
Sierra Club, New Jersey Chapter  
360 Nassau Street  
Princeton, New Jersey 08540

Dear Mr. Kent:

Thank you for your interest in the effects the Beverage Container Deposit Law has had on Michigan. I am pleased to inform you that it has fulfilled our expectations.

Because of the "bottle bill" the amount of solid waste going to landfills has been reduced by some 600,000 tons annually. The litter in state parks and recreation areas alone was reduced by 90 percent during 1979, while roadside litter decreased by 41 percent.

This piece of environmental legislation has had a positive effect on employment in the state. A recent G.A.O. report to Congress indicated an increase of more than 4,600 jobs in Michigan. Both Alcoa and Reynolds have established recycling centers in Michigan which are recycling about three million pounds of metal per month.

Moreover, the public is pleased with the effects the legislation has had on litter. They perceive a much cleaner environment as indicated by 86 percent of the participants in a market opinion research survey.

Retail stores have identified a negative impact as a result of the legislation due to an increase in handling and storage activities, but they have continually supported the implementation of the act because of the overall benefits for the people of Michigan.

I am enclosing some information about Michigan's bottle bill which may be helpful to you.

Again, thank you for your interest.

Kind personal regards.

Sincerely,

A handwritten signature in black ink that reads "William G. Milliken".

Governor



STATE OF MAINE  
OFFICE OF THE GOVERNOR  
AUGUSTA, MAINE  
04388

JOSEPH E. BRENNAN  
GOVERNOR

June 8, 1982

Mr. Albert Kent  
Container Deposit Committee  
Sierra Club  
New Jersey Chapter  
360 Nassau Street  
Princeton, New Jersey 08540

Dear Mr. Kent:

In November of 1976, the people of Maine voted by referendum to require deposits on all beer and soft drink containers sold in Maine. When the law took effect in February of 1978, Maine became the third state - following Oregon and Vermont - to adopt a "Bottle Bill".

The law was established following a lengthy, expensive, and sometimes bitter referendum campaign costing about \$430,000. All but \$26,000 was spent by opponents of the legislation.

Maine's "Bottle Bill" has been an unqualified success. During the four years the law has been in effect, litter has been dramatically reduced along roadsides and in parks. As a result, solid waste at municipal landfills has been reduced and public costs for litter clean-up have been cut. For example, the cost of litter clean-up along state highways has been reduced by over 50% since the law took effect.

Maine's Bottle Bill is the key to beverage container recycling in Maine. The law provides a financial incentive to consumers to return beer and soft drink containers so they may either be refilled or recycled. Thus the law has stimulated the recycling industry while it has reduced public costs for solid waste disposal and litter control.

The "Bottle Bill" is extremely popular with Maine people who during a 1979 state-wide referendum on the law, voted 41,480 to 226,687 against its repeal. The law remains popular today as an important factor in the maintenance of Maine's scenic beauty.

Good luck with your efforts in New Jersey.

Sincerely,

*Joseph E. Brennan*  
JOSEPH E. BRENNAN  
Governor

JEB/sc



## Office of the Governor

STATE CAPITOL  
DES MOINES, IOWA 50319

ROBERT D. RAY  
GOVERNOR

March 26, 1982

DOUGLAS E. GROSS  
ADMINISTRATIVE ASSISTANT

Mr. Albert Kent  
Container Deposit Committee  
Sierra Club/New Jersey Chapter  
360 Nassau Street  
Princeton, New Jersey 08540

Dear Mr. Kent:

Governor Ray has asked me to respond to your letter regarding the bottle bill. I appreciate your interest in this important matter.

For your information, Governor Ray strongly urged the legislature to adopt legislation which would establish a 5 cent deposit fee for bottles and cans in our state. This was adopted in 1979 and implemented in 1980. The results have been tremendous. Not only is the container legislation extremely popular among Iowans, it has also resulted in an over 90 percent reduction in litter on our roadways and in our state parks. We continue to strongly support this legislation which has the backing of the majority of people in Iowa.

Thank you for writing Governor Ray.

Sincerely,

A handwritten signature in black ink, appearing to read "Gross".  
Douglas E. Gross  
Administrative Assistant

DEG:cg

# *Glass Bottle Blowers Association of the United States and Canada (AFL-CIO)*

608 E. BALTIMORE PIKE  
P. O. BOX 607  
MEDIA, PA. 19063

James E. Hatfield  
*International President*

Frank W. Carter  
*International Secretary-Treasurer*

Lee W. Minton  
*International President Emeritus*

Wesley H. Bromberg  
*International Vice President*

Charles F. Hunt  
*International Vice President*

Joseph C. Cordery  
*International Vice President*

July 12, 1982

The Glass Bottle Blowers Association of the United States and Canada continues to reiterate its unalterable opposition to any proposal that would institute a deposit or special tax on certain beverage containers.

We oppose any arguments, for or against, which misrepresent all of the facts. Full knowledge of the ramification of forced deposits should be known and reviewed before such irreversible legislation is passed.

The record must be set straight in many of the areas of grave concern. Proponents of forced deposits claim a reduction in consumer cost. Experience has proven an increase of 12% to 25% has been the result in six states now requiring returnable containers.

To minimize job loss in the container industry does an injustice to the worker and the total economy of this nation. Skilled and other high paying jobs have been lost in significant numbers in forced deposit states and in adjacent states which supply a part or all of their market.

The Glass Bottle Blowers cannot conceive a course of action through legislation that would trade off well-paying, highly skilled jobs for menial, non-Union, minimum wage, litter pick-up, bottle sorter type jobs to accomodate well-meaning environmentalists with conflicting sets of priorities and objectives.

In addition to a massive job dislocation in the container manufacturing industries, forced deposit legislation will result:

(a) In a decline in sales and tax revenue during periods of transition to a returnable system and crossing state borders to make purchases.

(b) In tremendous, varying expenditures of hundreds of millions of dollars required for plant and equipment conversion when an all-returnable system renders present

## **EXECUTIVE OFFICERS**

James M. Thompson  
Clifford F. Valenciana  
Edward M. Owen  
Robert L. Mellars

Billy F. Webb  
Ralph Sidebottom  
James N. Greenawalt

Joseph C. Pitts  
James R. Rodgers  
Joseph Mitchell, Sr.  
Clement Cirelli

beverage handling obsolete.

(c) In increased consumer costs because of substantial increased handling costs at the retail level. Increases that fall most heavily on lower income and older citizens who do not have access to transportation to return containers, nor do they have space to store them under sanitary conditions.

(d) In continued littering because no deposit law will change the habits of careless and inconsiderate people who litter. Initiating solid waste management, recycling programs coupled with an educational program sponsored by government in cooperation with labor and industry will substantially reduce the litter problem. Deposits will not buy the moral behavior of those that litter.

(e) In little effect, if any, on energy consumption. Returning containers has increased use of diesel fuel and gasoline by as much as 100%. Collecting, sorting, washing and refilling consumes additional energy.

(f) In negative effect on conservation and pollution. Washing and rewashing of refillable containers wastes as much as ten gallons of water per case. Because of caustics to clean and sterilize rewashed containers, water is not recyclable. Dumping of water pollutes our natural filtering system that is already near the saturation point. Water is one natural resource for which there is no substitute.

(g) In a minimal reduction in litter and solid waste. Beverage containers make up less than 20% of total litter and less than 6% of total solid waste.

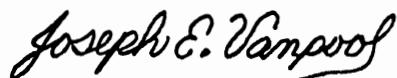
From economic and environmental viewpoints listed above and other socially harmful and economic effects not listed, any ban of non-refillable containers or requiring a refundable deposit or special tax is counterproductive. A clear case where the remedy is far worse than the disease. For these reasons, the Glass Bottle Blowers Association will remain firm in its opposition to this kind of legislation. We strongly believe that the only way to reduce litter significantly is to deal with the source of litter. Highway trash is the by-product of the socially deranged persons that need some behavioral adjustment. To terminate the employment of workers who produce the container, the worker who fills the container and the worker who sells the container are held to be guilty by association, while your real enemy is still running free to litter again.

With all facts and figures available, it is unmistakably clear there is absolutely no economic justification for forced deposits or penalty tax in any form. The incompatability of forced deposits

and solid waste recovery systems does irreparable harm to recycling systems.

The Glass Bottle Blowers Association reaffirms that it is in the best interest of our society that labor, industry, government, the public and environmental groups guard against counterproductive, negative approaches to solving our environmental problems. It asks that all concerned elements of our society work together toward positive, constructive, workable programs which will achieve our environmental and other goals without destroying the roots of our economy.

Sincerely,



Joseph E. Vanpool  
Director of Legislation

JEV:bc

CHARLES H. MARCIANTE  
PRESIDENT

EDWARD B. PULVER  
SECRETARY-TREASURER

THOMAS P. FOY  
GENERAL COUNSEL

RICHARD A. LYNCH  
EXEC. VICE PRESIDENT EMERITUS



# NEW JERSEY STATE AFL-CIO

106 West State Street  
Trenton, New Jersey 08608  
(609) 989-8730

TESTIMONY  
OF  
N.J. STATE AFL-CIO  
ON  
FORCED CONTAINER DEPOSIT LEGISLATION  
JULY 14, 1982

ENVIRONMENTAL IMPACT

\* A 5 cent refund will not stop the most common reason for roadside dumping of bottles and cans.

As long as we have individuals who insist on drinking while driving and disposing of the evidence of their violation of the law by throwing cans and bottles from car windows, no amount of refund will stop them.

\* Less than 15% of all litter and less than 3% of solid waste is glass or metal containers.

\* New Jersey's innovative recycling plan in effect only 6 months is already having a positive dramatic environmental effect. More than half of N.J.'s 567 municipalities are participating. 43 towns are presently requiring residents to separate paper, bottles and cans for curb-side pick-up.

\* In 1981 N.J. led the nation in "tons of glass recycled." N.J. in 1981 recycled 31% of their glass containers and the amount is increasing daily.

\* In 4 years glass recycling has increased by 325% up to 120 thousand tons recycled in 1981.

#### IMPACT ON JOBS

\* It is the responsibility of the legislature to help create jobs and a healthy economic climate in N.J. Historically, the legislature has never tried to eliminate jobs as <sup>Regulation</sup> the bottle bills will do.

\* Further the economic ripple impact on communities whose income is dependant on container packaging would be devastating.

\* Payroll of Glass container industry in New Jersey is \$186 million annually.

\* State and local taxes generated by the glass industry is \$2.5 million.

\* The average salary of so-called "jobs created" by container legislation are assuredly far lower than existing industry jobs. They are bare survival subsistence wages.

\* In the state of Michigan over 1,000 jobs have been lost with the adoption of forced deposit laws.

\* In Massachusetts over 300 jobs were wiped off the books along with the families affected.

\* In Connecticut 685 jobs lost.

\* In Ohio 250 jobs lost

\* In Indiana 200 jobs lost

\* In New York the figures have not come up to us since the legislation has just recently been signed into law. When those ugly numbers are presented to us, we will make them available to you.

\* In Connecticut when the deposit legislation was passed, the Legislature appropriated \$95,000 to compensate the innocent victims who became unemployed thru no choice of their own. The appropriation subsequently was forced to be increased to \$290,000 and then projections

put the annual figure needed at \$535,000 due to forced deposit laws. How far is New Jersey prepared to go with our large glass work force since we in New Jersey are regarded as the nations largest glass producing state?

#### MONETARY COSTS

\* New York State estimates are \$200 - \$400 million dollars in hidden costs to the consumer with the implementation <sup>of</sup> container deposit laws. i.e. beer and soft drinks are already two to three dollars more per case than in New Jersey.

\* We will make the oil producing countries happy as forced deposit laws require a 100% increase in handling costs by collection of used containers.

\* The costs of storage, pest and rodent control services doubles and triples at food stores where containers are returned. Health-wise the forced container deposit laws don't make much sense. Citing one state, Michigan, the increased cost to consumers is over \$300 million.



~ ~ ~

MADISON ENVIRONMENTAL COMMISSION

M E M O R A N D U M

TO: Mayor and Council, Borough of Madison

FROM: Madison Environmental Commission

RE: Resolution on Returnable Beverage Containers

DATE: February 18, 1982

The Madison Environmental Commission has received a copy of the enclosed model resolution on returnable beverage containers, which we enthusiastically endorse. We understand that it has also been endorsed by the New Jersey Recreation and Park Association, the League of Women Voters, The Sierra Club, the New Jersey Environmental Lobby, and the Public Interest Research Group.

We would like to urge the Borough Council to pass this resolution and forward copies of it to our legislators and to the Governor. We understand that over 30 similar resolutions have already been passed in the State. This makes us hopeful that in 1982 real progress will be made on a container deposit bill for New Jersey.

Massachusetts recently became the eighth state to enact a "Bottle Bill", following Oregon, Vermont, Maine, Michigan, Iowa, Connecticut and Delaware. Oregon is now said to be virtually free from litter; Vermont's roadside container rubbish has been cut by 76%, and Michigan's by 90%. A General Accounting Office study suggests that a national bill would create at least as many jobs trucking and sorting bottles as it would eliminate.

In Madison we are well aware of the increasing cost of garbage disposal in landfills. Throwaway beverage containers use limited landfill space. A container deposit bill for New Jersey makes sense.

We hope that the Mayor and Council will support this resolution.

cc: Members, Environmental Commission  
Members, Planning Board

# Glass Cycle Systems, inc.

P.O. BOX 616 BUTLER, N.J. 07405 201-838-0034

New Jersey has never been just another me-too state. Our state should be proud to be the fore runner by taking a positive and comprehensive approach to the environmental and solid waste problem. The N.J. Recycling Act, which went into effect on the first of this year, can be an example for the whole country to follow if it is given a reasonable chance.

At the present time, far to much emphasis is being placed on a small but conspicuous part of the environmental problem. The unconcerned element of our society who litter will not be deterred by a 5¢ deposit. Presently, the fine for having an open beer or liquor bottle in your vehicle far outweighs the nickel deposit returned.

The answer to this problem, as has been proven in some of our western states, is to impose and strictly enforce prohibitive fines for littering. The monies generated from these heavy fines will more than offset the cost of enforcing them. Make the people who are responsible for these criminal acts against our environment pay dearly for their irresponsible deeds. Why penalize the innocent and concerned businessman who supports his state and community both economically and politically? Bottles are not our only litter. Let's clean up the whole mess.

I would like to state emphatically that our company not only supports and believes in the environmentalists' position but is actively doing something towards cleaning up our country while conserving energy at the same time. We are also equally concerned about helping a very politically powerful and vocal segment of the taxpaying populace whose businesses will suffer unfairly from any one-sided deposit legislation.

Glass Cycle Systems is a N.J. based company that is doing something positive to support our states present far-sighted moves in recycling. We have developed and are manufacturing a piece of equipment that is specifically designed for restaurants and taverns. This equipment shatters all of their glass beverage, liquor and food containers instantly, right on premise. By so doing we reduce their trash volume by as much as 80%. Imagine the problems faced by a tavern doing 1,000 bottles or more a day trying to store them in their present form for even a week. Never mind the unsightliness, consider the potential infestation this would create.

Our method of reducing the trash volume offers the additional advantage of making it possible to conveniently store and transport uncontaminated glass cullet since the glass refuse has never been mixed with other trash.

By transporting glass in this granulated form our truck can carry at least five times the volume of glass it would normally were it unbroken. This makes it profitable for us to transport and sell this glass to bottle manufacturers. Furthermore, we are able to conserve as much as 80% of the fuel and its' pollutants that would occur in returning whole bottles if deposits are required. Another cause for contamination that is often overlooked is the highly toxic chemicals required to properly cleanse and sterilize bottles before refilling. Also, do to damage in shipping, many of these bottles will be sent back to the bottle manufacturer anyway.

Over 100 establishments are presently using our equipment and support our program fully. The reason for this strong support is that we solve their handling and storage problems as well as save them money in the cost of their trash removal.

The company plans to have at least 500 clients by the end of this year. Since an average account generates 1.3 tons of glass every month, we will be re-cycling 650 tons of glass a month or 7,800 tons per year.

There are approximately 10,000 active liquor licenses in our state and from the reaction we are now receiving the vast majority of these businessmen will welcome the opportunity to recycle in a convenient and profitable way. Profit and efficiency are the greatest inducements you can offer any businessman to become involved.

Within the next couple of years our company projects that most of these establishments will become involved in our or other recycling programs simply because it makes good business sense. This could mean that approximately 13,000 tons of glass per month or 156,000 tons per year will be removed from our solid waste stream and be recycled. This coupled with other municipal and private programs means that bottles will be the very least of our waste problem. I do believe that other waste materials such as paper, cardboard, metals, plastics, etc. which constitute by far the largest percentage of our waste should be receiving greater attention. However, these materials do not seem to have the same media ring as a 'Bottle Bill'. Why blame the bottle industry when it is doing its part for recycling in our state. To this end it should be noted that the glass companies have been increasing their purchase price for cullet while the price for aluminum has been steadily falling.

In our everyday contact with tavern owners in this state it is quite obvious that they are becoming more and more irate and vocal about the unfair treatment and publicity they are receiving. They feel, and rightfully so, that deposit laws discriminate against and burden them with the cost and enforcement of a law that could and should be handled by the present authorities. They, as responsible citizens, are more than willing to support the present laws and Recycling Act through any comprehensive program, but they are also determined to fight against any arbitrary legislation that unjustly burdens them.

At the present time, not just the owners and their employees are becoming aware of the techniques and value of recycling, but also many of their patrons, who number in the hundreds of thousands, are being made aware of the fact that there is a preferable way of returning bottles through recycling. Our company receives numerous inquiries from municipalities and private citizens who have seen our equipment in operation and want to become involved. In addition, we are designing a plaque to be placed in all the establishments we deal with to notify the general public that recycling done the right way benefits everybody.

As Glass Cycle Systems grows nationally the state of N.J. will receive increased employment and additional tax revenues as benefits.

This country has prospered by finding positive and fair ways to solve its problems. Given the proper motives and financial incentives the private business sector will develop the best answers to today's problems. Let's not have anymore cumbersome and unfair legislation. Let's support the progressive Recycling Act of N.J. which will benefit our whole society when given a chance to work.

# BREAK THROUGH to added Profits and Convenience

## PAY LESS

SAVE ON COSTLY PICKUPS  
10 TO 1 VOLUME REDUCTION  
ELIMINATE TRIPS TO DUMPSTER  
ONE TIME HANDLING  
SELL IT FULL & FORGET IT

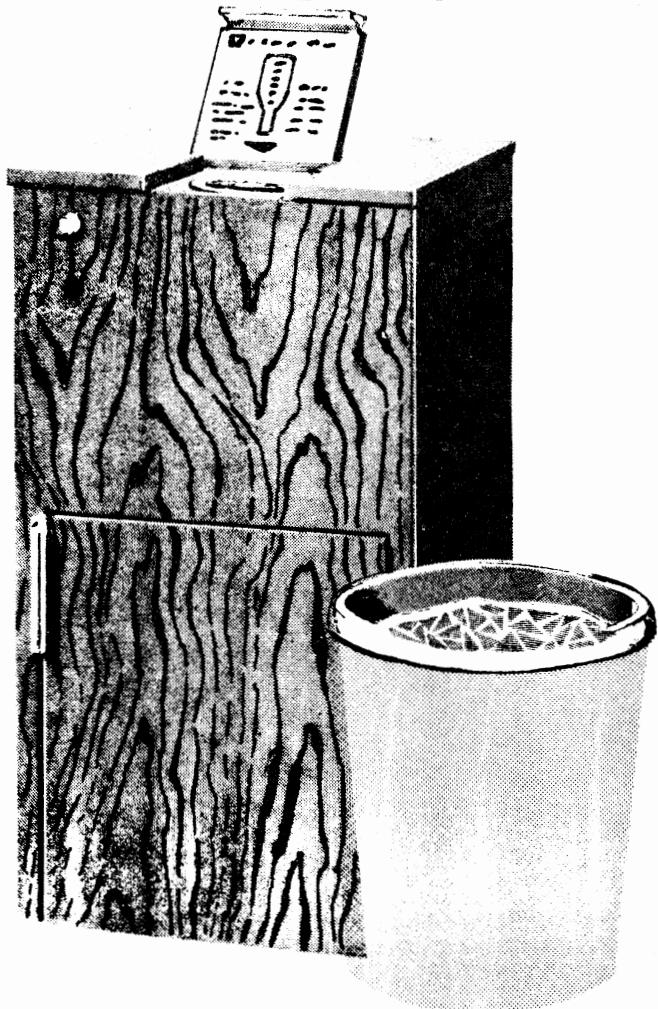
## WORRY LESS

NO MORE UNSIGHTLY PAILS  
ONE TIME CLEAN UP  
PREVENT GLASS INJURIES

## EARN MORE

LESS TIME ON EMPTIES  
MORE TIME FOR CUSTOMERS  
EXTRA BEHIND THE BAR SPACE  
FEWER CONTAINERS-MORE STOCK  
STOP STORING RETURNABLES  
MAKE EVERY INCH COUNT

## GRANULATES A BOTTLE IN SECONDS!



SO FAST!  
SO SAFE!  
SO EASY!



Glass Cycle Systems, Inc.

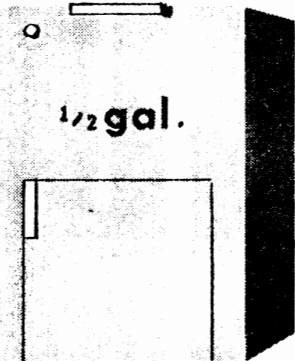
P.O. BOX 816 BUTLER, N.J. 07405 (201) - 838 - 0034  
60x

*Tomorrow's problems  
answered Today*

**THE ONLY COMPLETE LINE OF GLASS CYCLE MACHINES!!**  
**PATENT PENDING**

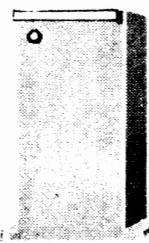


**MODEL 101**  
18" x 18" x 38"



**MODEL 201**  
22" x 22" x 38"

10" x 12" x 24"



**MODEL** 301

**STANDARD FEATURES**

HANSOMELY STYLED WOOD GRAINED CABINET WIPES CLEAN IN SECONDS

PATENTED DOUBLE SAFETY FEATURES PREVENT GLASS THROW-BACK

CONTINUOUS BOTTLE FEED

E-Z CLEAN FILL & FEED

COMPACT DESIGN FITS ANYWHERE

HEAVY-DUTY BALL BEARING MOTOR

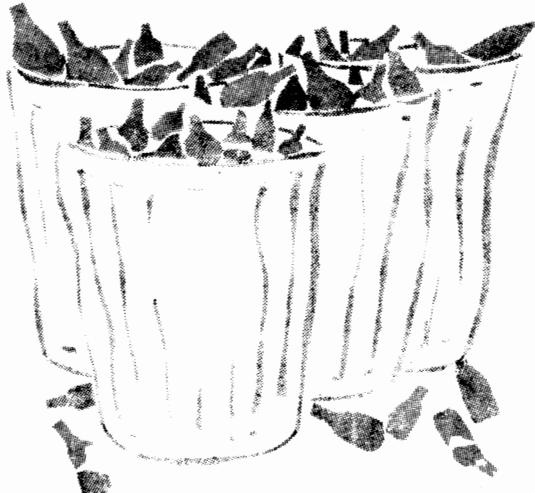
NON SHARPEN BLADES

SAFEGUARD PILOT LIGHT

NO INSTALLATION REQUIRED 110V

QUALITY 3-WAY LINE CORD

(\*MINOR INSTALLATION FOR BUILT-IN)



**SO SIMPLE  
SO CLEAN  
SO NEAT**



22" x 22" x 38"

STATE OF NEW JERSEY  
ASSEMBLY, ENERGY AND  
NATURAL RESOURCES COMMITTEE  
1982 PUBLIC HEARING ON BEVERAGE CONTAINER DEPOSIT LEGISLATION

Mr. Chairman, I am a member of Local 21 of the Glass Bottle Blowers Association, AFL-CIO, at Salem, New Jersey. We have about 650 union members who belong to our G.B.B.A. locals at the Anchor Hocking plant.

This legislation will cause a loss of skilled jobs here in New Jersey just as it did in Connecticut and Michigan. It is unfair to expect us to sacrifice skilled jobs for lower paid jobs as store clerks.

It has been said that forced deposit laws will make a big difference in the amount of solid waste. This is not true. The U.S. Government says that beverage containers, both cans and bottles, are only 6% of total solid waste.

What is making the difference here in New Jersey is the new recycling law. We are buying more cullet now than ever before. It is coming from towns and recyclers who are collecting glass containers of all kinds, not just beer and soft drinks, cans of all kinds as well as newspapers.

This program is working and it has not caused people to lose their jobs. This program is helping people to recycle everything and they don't have to pay more for their beer and soft drinks.

Glassworkers in New Jersey will be hit hard if these bills pass. I ask you to vote no on these bills. Let us keep our jobs, we don't want the dole and we don't want to become bottle sorters.

Thank you.

*Marian D. Jones, Pres. 4/12/*  
Marian Jones  
President-Local # 21

Barbara L. Hall, private citizen and member of Chatham Borough Council - in attendance at the "Bottle Bill" hearing, Whippoorwill H.S., July 14, 1982 to support the concept of bottle bill for N.J. - major considerations being solid waste, resources, and litter in this most densely populated state of N.J.

Further, to consider a \$0.02 or \$0.05 deposit is to perpetuate waste. These are the same as deposit monies of past years. Certainly \$0.25 per quart bottle is a more realistic deposit fee for 1982.

BERGEN COUNTY PARK COMMISSION  
COMMUNITY SERVICE BUILDING  
E. 327 RIDGEWOOD AVENUE, PARAMUS, NEW JERSEY 07652  
646-2680

*Commissioners:*

WILLIAM F. SMITH, President  
JENNIE GAITSKILL, Vice President  
JOSEPH M. CALABRIA, Secretary  
ROBERT M. BURKE, Assistant Secretary  
JOHN BOMBACE  
RICHARD A. NEST  
JOHN W. BRATOWICZ  
HENRY L. HOEBEL  
ROBERT E. TRINKS

JOSEPH A. CARUCCI  
*Freeholder Liaison to the Park Commission*



JAMES A. McFAUL, Executive Director

July 13, 1982

Mr. Algis Matioska, Research Associate,  
Office of Legislative Service  
C.N. 042,  
State House Annex - Room 103  
Trenton, New Jersey 08625

Dear Mr. Matioska,

To confirm my call to you of July 12, 1982 concerning the "Bottle Bill" Public Hearing at Whippany High School, I am sending you Bergen County Park Commission Resolution #7148 stating this agency's support for the passage of this legislation.

Please include this Resolution into any official record relative to this Public Hearing.

Thank you.

Very truly yours,

Robert S. Gorman  
Real Estate Manager

RSG:ac

BERGEN COUNTY PARK COMMISSION

*D. Gale*

RESOLUTION 470.7148

Offered by Robert M. Burke

Seconded by Henry Hoebel

Date ..... April 12 ..... 19 82.

**Resolved**, WHEREAS, metal, glass and plastic beverage containers make up a significant portion of the litter which blights our roadsides, parks, playgrounds, fields, streams and other public and private open space; and

WHEREAS, the cleanup of such litter is a burdensome state and municipal expense which consumes labor which might otherwise be put to more constructive uses; and

WHEREAS, the use of throwaway aluminum, steel, glass and plastic containers causes excessive consumption of energy and raw materials in container manufacturing; and

WHEREAS, the disposal of such containers uses limited available landfill space and entails significant collection and cartage costs and disposal fees; and

WHEREAS, broken glass from discarded glass beverage containers is a serious health and safety hazard and is a cause of damage to automotive and bicycle tires and to farm equipment; and

WHEREAS, legislation in eight states provides incentives for recycling of beverage containers by requiring a refund value on all such containers; and

WHEREAS, such legislation has resulted in dramatically reduced amounts of broken glass and other litter on roadsides and elsewhere, has reduced consumption of energy and raw materials, and has provided increased employment in the recycling industry;

NOW, THEREFORE, BE IT RESOLVED by the Bergen County Park Commission that the concept of mandatory beverage container deposit legislation is hereby endorsed; and

BE IT FURTHER RESOLVED, that the Legislature and Governor of the State of New Jersey are urged to adopt such legislation; and

BE IT FURTHER RESOLVED, that the Secretary of this body is directed to forward copies of this resolution to appropriate legislators and to the Governor of this State

This is to certify that the foregoing Resolution, consisting of 1 pages, is a true copy of a Resolution adopted by the Bergen County Park Commission at a Regular meeting on the 12th day of April, 19 82.

Responsible for 750 miles of foot-trails, including the Original Section of the Appalachian Trail.



#### MEMBER ORGANIZATIONS

Adirondack Mountain Club  
Knickerbocker Chapter  
Long Island Chapter  
Mid-Hudson Chapter  
New York Chapter  
North Jersey Chapter  
Ramapo Chapter  
Adventurers Unlimited  
American Youth Hostels  
Metropolitan N.Y. Council  
Anderson School  
Autistic Program  
Appalachian Mountain Club  
New York Chapter  
Basking Ridge Outing Club  
Boy Scouts of America  
Berger Council  
Esson Council  
Iacapog: Lodge O.A.  
Explorer Post 117  
Explorer Post 189  
Explorer Post 915  
Scout Troop 35  
Scout Troop 50  
Scout Troop 182  
Scout Troop 309  
Camer's Group  
Catskill 350 Club  
College Alumni Hiking Club  
Conservation & the Outdoors  
Cosmopolitan Club of  
Montclair, Outdoor Group  
Essex County Trail Walkers  
Fordham University  
Environmental Action Group  
Friends of the Shawangunks  
German-American Hiking Club  
Girl Scouts of America  
Bergen Council  
Green Rourain Club  
New York Section  
Hudson Valley Orienteers  
Hunterdon Hiking Club  
Interstate Hiking Club  
Long Island Greenbelt  
Trail Conl., Inc.  
Metropolitan Recreation Assn.  
Murray Hill Canoe Club  
Nassau Hiking and Outdoor  
Club  
New Jersey Mycological Assn.  
New York Hiking Club, Inc.  
New York Mycological Society  
New York Pier Woods Folk  
Music Club  
New York Ramblers, Inc.  
New York University  
Outdoor Club  
Outdoors Club, Inc.  
The Park Project  
Protectors of Pine Oak  
Woods, Inc.  
Recycling Railroads, Inc.  
Rockland Council Telephone  
Pioneers of America  
Rutgers University Outdoor Club  
Short Hills Outing Club  
Sierra Club  
Mid-Hudson Group  
New York City Group  
North Jersey Group  
Somerset County Hikers  
Suffern Historical Hikers  
Sundance, Inc.  
Teatown Lake Reservation, Inc.  
Torrey Botanical Club  
Union County Hiking Club  
University Outing Club  
Valley Stream Hiking Club  
Weis Ecology Center  
Westchester Trails Association  
West Jersey Hiking Club  
Woodland Trail Walkers Inc.



20 West 40 Street • New York, N.Y. 10018 • 212 921-4025

#### MEMORANDUM OF SUPPORT

TO: ALL MEMBERS OF THE ENERGY AND NATURAL RESOURCES COMMITTEE  
FROM: JoAnn Dolan, Executive Director  
RE: THE CAN AND BOTTLE BILL

Members of the New York-New Jersey Trail Conference strongly support beverage container deposit legislation (The Can and Bottle Bill), and believe that New Jersey's proposed recycling program must include a mandatory beverage container deposit bill to be truly effective.

As a non-profit federation of 65 hiking clubs with a combined membership of more than 51,000 people, the Trail Conference builds and maintains over 700 miles of recreational trails in New York and New Jersey through volunteer efforts.

The problem of the throw-away containers is so extensive that not only is this litter hazardous and polluting on streets and highways, but on recreational hiking trails as well. Our volunteer Litter Clean-up Day has been held bi-annually for 18 years. This helps clear heavily littered trail areas for a time but only a guaranteed deposit return on beverage containers will provide more than just a temporary solution.

Volunteer pick-up and public awareness, as well as recycling alone, are not adequate. A bottle bill is the best economic incentive to prevent littering. Dramatic positive effects for cleaner recreational trails have been proven in Oregon, Maine, Vermont, Connecticut and other states who have passed beverage container deposit legislation.

States surrounding New Jersey, most recently New York, have come to recognize the Bottle Bill as law. New York-New Jersey Trail Conference members feel the time has come for New Jersey to recognize also that the returnable system is the most effective and cost-efficient approach to reduce beverage container litter.

Hearing on Bottle Bills by  
Assembly Energy and National Resources Committee  
Whippany, N.J. July 14, 1982

My name is Frank J. Oliver, 1113 Cambridge Road, Teaneck. I speak in behalf of the Palisades Preservation Coalition, a group that was formed in 1979 to help in halting deterioration of the New Jersey section of the Palisades Interstate Park. The coalition is made up of hiking, historic and nature groups as well as a Boy Scout Council. Our original concern was restoration of the Shore Path, designated by the Department of the Interior a National Scenic Trail in 1971. We meet regularly with the Park Administration and exchange mutual concerns. A major concern is litter.

As a member of three national hiking and conservation clubs that are represented in the Palisades Preservation Coalition, I am aware first hand of the problem of litter on the trails in this park and elsewhere in the State, as well as nearby Harriman and Bear Mt. Sections in New York State. Twice a year, hiking club members, boy and girl scouts and church groups, armed with bags supplied by the Park Administration, pick up cans and bottles along the trails and haul the filled bags out to the nearest road head, to be picked up by Park trucks. The number of bags filled each period often approaches a thousand. The motto of the established hiking clubs is: "You brought it in, so bring it out." They do it for the careless uninitiated trail walker, out perhaps for the first time.

So obviously, we are for a bottle bill. We are sure the refund value on an aluminum can or glass or plastic soft drink or beer container will especially be attractive to young people. For a nickel, they can carry out that empty can or bottle. More likely, the heavier bottle will be thrown from a car or van along the parkway. The 30-cent return on a six-pack could be attractive to the throwaway crowd.

In November 1974, as president of the League for Conservation Legislation, I presented testimony before a joint Assembly Committee hearing on five bills dealing with beverage container recycling. Most of the bills prohibited the sale or use of throwaway containers and called for reusing container materials in the same or altered form. My position then favored refillables, based on substantial energy savings

compared with reconstituted containers, abstracted from an engineering society paper.

Eight years later in 1982, it is realized that the glass container industry has been hit by growing competition from plastic bottles and that mandating refillables, with a life of perhaps 15 to 20 rounds, would be a further blow to labor in the glass industry. Therefore, we would accept a bill that excludes refillables, even though the energy saved through use of refillables still remains a major consideration in view of much higher fuel prices today.

Therefore, we strongly support Bill A 1753 by Assemblyman Paterniti that bans the use of refillables but does require a minimum of 5 cent deposit on cans and bottles used for beer and soft drink beverages, and provides an incentive for recycling.

RESOLUTION  
RE: RETURNABLE BEVERAGE CONTAINERS

WHEREAS, Metal, glass and plastic beverage containers make up a significant portion of the litter which blights our roadsides, parks, playgrounds, fields, streams and other public and private open space; and

WHEREAS, The cleanup of such litter is a burdensome State and Municipal expense consuming labor which might otherwise be put to more constructive uses; and

WHEREAS, the use of throwaway aluminum, steel, glass and plastic containers causes excessive consumption of energy and raw materials in container manufacturing; and

WHEREAS, The disposal of such containers uses limited available landfill space and entails significant collection and cartage costs and disposal fees; and

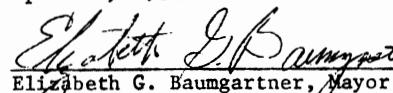
WHEREAS, Broken glass from discarded glass beverage containers is a serious health and safety hazard and is a cause of damage to automotive and bicycle tires and to farm equipment; and

WHEREAS, Legislation in 8 states provides incentives for recycling of beverage containers by requiring a refund value on all such containers; and

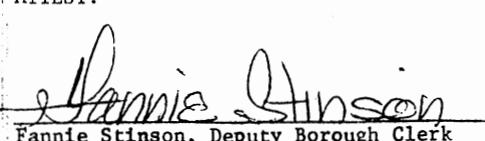
WHEREAS, Such legislation has resulted in dramatically reduced amounts of broken glass and other litter on roadsides and elsewhere, has reduced consumption of energy and raw materials, and has provided increased employment in the recycling industry;

NOW, THEREFORE BE IT RESOLVED, by the Borough of Madison, County of Morris, State of New Jersey, that the concept of mandatory beverage container deposit legislation is hereby endorsed; that the Legislature and Governor of the State of New Jersey are urged to adopt such legislation; and that the copies of this resolution be forwarded to the Legislators of the 23rd District and the Governor of New Jersey.

ADOPTED AND APPROVED,  
April 12, 1982

  
Elizabeth G. Baumgartner, Mayor

ATTEST:

  
Fannie Stinson, Deputy Borough Clerk



GENERAL ASSEMBLY  
OF NEW JERSEY  
TRENTON

ARTHUR R. ALBOHN  
ASSEMBLYMAN, DISTRICT 23 (MORRIS)  
264 SOUTH ST.  
MORRISTOWN, N.J. 07960

201-540-1502

APR 20 1982

April 16, 1982

Mrs. Elizabeth G. Baumgartner  
Mayor, Borough of Madison  
Hartley Dodge Memorial  
Kings Road  
Madison, New Jersey 07940

Dear Betty:

Thank you very much for the copy of the Borough Council's resolution of April 12th, urging adoption of my beverage container bill, A-78

Both my co-sponsors and myself are working hard to achieve this mile-stone step toward a cleaner and more attractive environment, and a reduction in the amount of solid waste that has to be disposed of. Resolutions such as yours are encouraging to those of us who already endorse the concept, and will be most helpful in bringing other legislators to accept the proposal and vote for the bill.

Again, my thanks for your support

Sincerely yours,

Arthur R. Albohn  
Assemblyman, 25th District

ARA:eb

Essex Freeholders passed  
resolution March 30, 1981

RESOLUTION ON RETURNABLE BEVERAGE CONTAINERS

WHEREAS, Metal, glass and plastic beverage containers make up a significant portion of the litter which blights our roadsides, parks, playgrounds, fields, streams and other public and private open space; and

WHEREAS, The cleanup of such litter is a burdensome state and municipal expense which consumes labor which might otherwise be put to more constructive uses; and

WHEREAS, The use of throwaway aluminum, steel, glass and plastic containers causes excessive consumption of energy and raw materials in container manufacturing; and

WHEREAS, The disposal of such containers uses limited available landfill space and entails significant collection and cartage costs and disposal fees; and

WHEREAS, Broken glass from discarded glass beverage containers is a serious health and safety hazard and is a cause of damage to automotive and bicycle tires and to farm equipment; and

WHEREAS, Legislation in 8 states provides incentives for recycling of beverage containers by requiring a refund value on all such containers; and

WHEREAS, Such legislation has resulted in dramatically reduced amounts of broken glass and other litter on roadsides and elsewhere, has reduced consumption of energy and raw materials, and has provided increased employment in the recycling industry; now, therefore,

BE IT RESOLVED by \_\_\_\_\_ :

That the concept of mandatory beverage container deposit legislation is hereby endorsed; and

That the Legislature and Governor of the State of New Jersey are urged to adopt such legislation; and

That the Secretary of this body is directed to forward copies of this resolution to appropriate legislators and to the Governor of this State.

(Resolution endorsed by the Sierra Club, New Jersey Environmental Lobby, League of Women Voters, Public Interest Research Group, New Jersey Recreation and Parks Association)

Note: A copy sent to "Bottle Bill", 360 Nassau Street, Princeton, NJ 08540 would be appreciated.

# township of wayne

ARTHUR R. BARTOLOZZI, R.S., M.A.  
HEALTH OFFICER  
DIRECTOR OF HEALTH & WELFARE

475 Valley Road  
Wayne, New Jersey 07470  
(201) 694-1800  
Police Department  
(201) 694-0600

July 13, 1982

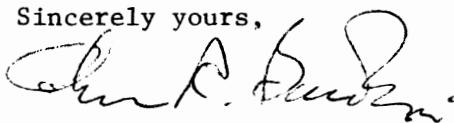
Mr. Al Matioska  
Room 305  
State House Annex  
Trenton, New Jersey 08625

Dear Mr. Matioska,

Enclosed is a copy of Wayne Township's Resolution No. 130 supporting Assembly Bill No. 3026 (Bottle Bill).

The Township feels that the approval of a bottle bill in New Jersey would go a long way in cleaning up the environment and would have a positive effect and deterrent on litter.

Sincerely yours,



Arthur R. Bartolozzi  
Health Officer

ARB:kms

Enclosure

TOWNSHIP OF WAYNE  
COUNTY OF PASSAIC  
STATE OF NEW JERSEY  
1981  
RESOLUTION NO. 130

A motion was made by Robert Pacca seconded by Joseph DiDonate that the following resolution be adopted:

SUPPORT OF ASSEMBLY BILL #3026 (BOTTLE BILL)

WHEREAS, Assembly Bill No. 3026 regulating the control and recycling of beverage containers is presently pending before the State Legislature; and

WHEREAS, the Municipal Council of the Township of Wayne has determined that there is a need for such regulation to relieve the blight of beverage containers littering the sides of roads, highways and recreational areas and concurs with the contents of said Bill No. 3026;

NOW, THEREFORE BE IT RESOLVED that the Municipal Council of the Township of Wayne hereby endorses the adoption of Assembly Bill No. 3026 regulating the control and recycling of beverage containers; and

BE IT FURTHER RESOLVED that the Municipal Council calls upon all municipalities in the State of New Jersey to review and consider said legislation and join in recommending the adoption of same; and

BE IT FURTHER RESOLVED that the Township Clerk shall forward copies of this resolution to the legislative representatives serving the district in which Wayne is located, and to all other interested parties, municipalities and officials.

ROLL CALL:

AYES: Frederick Bauer, Joseph DiDonate, Robert Pacca, Bert Tucker, David Waks, Gary Webb, William Hanse

NAYS: None

ABSENT: Joyce Amabile, Joseph Loffredo

THIS IS TO CERTIFY THAT THE FOREGOING IS A TRUE AND EXACT COPY OF A RESOLUTION ADOPTED BY THE MUNICIPAL COUNCIL OF THE TOWNSHIP OF WAYNE AT A REGULAR MEETING HELD ON MARCH 18, 1981.

  
JOHN R. O'BRIEN  
TOWNSHIP CLERK

  
WILLIAM C. HANSE  
PRESIDENT OF THE COUNCIL

July 19, 1982

Honorable Maureen Ogden  
Assembly Energy and Natural Resources Committee  
State House  
Trenton, New Jersey 08625

Dear Assemblywoman Ogden:

I represent an Essex County citizen advisory committee called the Friends of the Parks Committee for Branch Brook Park. My committee is deeply concerned with the increasing amounts of litter degrading our roadways and our parks. Many studies indicate that non-returnable bottles and cans contribute significantly to our major litter problem.

In this regard, we understand that a mandatory returnable beverage container bill (A-78) is being considered by your committee. This type of legislation has been successful in 8 other states and was recently adopted by New York. As a result, the benefits derived from mandatory deposit legislation have been proven and well documented over the past several years. We believe it is time for New Jersey to share in these benefits and adopt the mandatory returnable beverage container bill.

We trust that your concern for a cleaner and healthier environment is as deep as ours; we urge you to adopt the mandatory returnable beverage container bill (A-78).

Very truly yours,

*Joseph Manning*  
Joseph Manning,  
Chairperson  
Friends of the Parks Committee  
Branch Brook Park



# Englewood

P.O. Box 228 • Englewood, N.J. 07631 • (201) 567-1800

Robert P. Hollenbeck, Chairman  
104 Midland Ave.  
Garfield, N.J. 07026

July 13, 1982

Honorable Robert P. Hollenbeck,

The administration of the City of Englewood supports mandatory deposits on beverage containers. The support is not only a philosophical one, but an economic one.

The Department of Public Works spends \$120,000 per year on landfill charges. A 6% reduction of municipal solid waste is the anticipated savings to the City. In dollars and cents this comes to \$7,200 in actual cost savings. 20,000 tons are dumped into the landfill. A 6% reduction would mean a savings of 1,200 tons which will not be delivered to already over-crowded landfills.

It costs the city \$600,000 to pick up garbage. If the bottle bill is passed there will be less trips for the working DPW staff from collection site to truck, less trips to the landfill and less gas and maintenance charges for trucks. A conservative savings estimate of 5% would reduce expenditures by \$30,000.

A bottle bill would beneficially impact the City of Englewood by reducing expenses, thus providing funds for maintaining staff and quality services. We in Englewood believe in a clean, litter free environment and we feel that the bottle bill is an important step in reaching that goal.

Respectfully submitted,

A handwritten signature in cursive ink that appears to read "Maggie Ramonas".

Maggie Ramonas, Environmental Officer

for the City of Englewood

# Township of East Brunswick, N.J.

NO. 5571

DATE OF ADOPTION April 12, 1982

## RESOLUTION ON RETURNABLE BEVERAGE CONTAINERS.

WHEREAS, metal, glass and plastic beverage containers make up a significant portion of the litter which blights our roadsides, parks, playgrounds, fields, streams and other public and private open space; and

WHEREAS, the cleanup of such litter is a burdensome state and municipal expense which consumes labor which might otherwise be put to more constructive uses; and

WHEREAS, the use of throwaway aluminum, steel, glass and plastic containers causes excessive consumption of energy and raw materials in container manufacturing; and

WHEREAS, the disposal of such containers uses limited available landfill space and entails significant collection and cartage costs and disposal fees; and

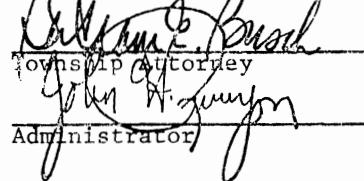
WHEREAS, broken glass from discarded glass beverage containers is a serious health and safety hazard and is a cause of damage to automotive and bicycle tires and to farm equipment; and

WHEREAS, Legislation in eight states provides incentives for recycling of beverage containers by requiring a refund value on all such containers; and

WHEREAS, such legislation has resulted in dramatically reduced amounts of broken glass and other litter on roadsides and elsewhere, has reduced consumption of energy and raw materials, and has provided increased employment in the recycling industry.

NOW THEREFORE, BE IT RESOLVED by the East Brunswick Township Council that the concept of mandatory beverage container deposit legislation is hereby endorsed, that the Legislature and Governor of the State of New Jersey are urged to adopt such legislation and that the Township Clerk is directed to forward copies of this resolution to appropriate legislators and to the Governor of this State.

### CERTIFICATION:

  
John H. Kiss  
Township Attorney  
Administrator

RECORD VOTE OF COUNCIL ON FINAL PASSAGE									
Councilmember	Y	N	NV	Ab	Councilmember	Y	N	NV	Ab
Blethen	2	-			O'Connor	1	✓		
Hert	/				Weber		/		
Hudak	/								

x - indicates vote. NV - Not Voting Ab - Absent

THIS IS TO CERTIFY that this is a true and compared copy of a resolution adopted by the Municipal Council of the Township of East Brunswick on April 12, 1982.

76x   
Elizabeth H. Kiss, Municipal Clerk

# Menkes Municipal Services, Inc.

19 Nottingham Road

201 - 731-8563 - 731-3378

West Orange, N. J. 07052

July 14, 1982

Assembly Energy and Natural Resources Committee.  
c/o Mr. Algis Matioska, Room # 305,  
State House Annex,  
Trenton, N.J.,

Kindly add the remarks below to the published record of 7/14/82  
in regard to carbonated beverage container legislation:

Like President Reagan's program for the four-year term, the program for New Jersey recycling should be allowed to run its five-year course. There will be plenty of time and even more reason to make changes if both fail.

New Jersey's primary concern is solid waste management, not litter control. The New Jersey Recycling Act and the new landfill fees address our problem more comprehensively.

Nevertheless, unless constructive changes amend the present format, the State's five-year plan will fail. It will help to recognize certain facts of life, as container legislation sponsors do, to make the State's plan more successful.

The primary foes of recycling are the mayors, business administrators and public works superintendents who see waste management as an unwanted area of responsibility. "Bottle Bill" people have persuaded governing bodies in many communities to pass resolutions favoring container legislation, mayors have steered clear of leadership in recycling especially in urban areas, and DPW superintendents have been flooded with copies of proposed legislation which they perceive as a means of shifting the work burden to storekeepers so that municipal work and the road to retirement are less complex in the years to come. There is a greater personal reward to municipal decision makers if recycling can be avoided.

It is my contention that the State Recycling Office will be awash with grant money from the landfill fees because rebates will be paid up to \$25 per ton in the last four years of the Act based upon tonnage improvement. I propose that the Act shall be amended to raise the maximum to \$40 per ton and that enabling legislation should be passed permitting the State to pay mayors, business administrators and public works or sanitation directors directly substantial monetary rewards or grants for implementing growing recycling programs in their communities. Then you will see more materials recycled and more tonnage than container legislation can develop.

This is not a bizarre suggestion; the principle is the same as the 5¢ and 10¢ deposit.

It answers the question "What's in it for me?"

Sincerely,

  
Richard A. Menkes

Richard A. Menkes, President

RAM/DRM

RECORDED AND INDEXED

**TOWNSHIP OF HANOVER**  
**COUNTY OF MORRIS**  
**P. O. BOX 250**  
**WHIPPANY, N. J. 07981**

DEPT. OF  
ADMINISTRATION

TELEPHONE  
AREA CODE 201  
887-1000

July 27, 1982

The Honorable Arthur R. Albohn, Assemblyman  
264 South Street  
Morristown, New Jersey 07960

**Re: Beverage Container  
Deposit Legislation**

Dear Assemblyman Albohn:

At the July 22, 1982 meeting of the Township Committee, the enclosed resolution urging adoption of mandatory beverage container deposit legislation was unanimously passed. Cognizant of your active participation as a key member of the Assembly's Energy and Natural Resources Committee, I thought it would be appropriate to submit the resolution directly to you.

If it is at all possible, Art, I would appreciate it if you would enter the resolution into the record of the statewide hearings on beverage container deposit legislation.

A copy of the resolution was also forwarded to Governor Kean for his information as well as Senator Dorsey and Assemblyman Bishop.

On behalf of the Township Committee, may I assure you of the Township's continued support in all your endeavors.

Best personal regards.

Very truly yours,

**TOWNSHIP OF HANOVER**

Joseph A. Giorgio  
Business Administrator

JAG/tk

Enclosure

A RESOLUTION ENDORSING THE CONCEPT OF MANDATORY BEVERAGE DEPOSIT LEGISLATION PERTAINING TO ALL GLASS, METAL AND PLASTIC BEER AND SOFT DRINK CONTAINERS.

WHEREAS, Metal, glass and plastic beer and soft drink containers make up a significant portion of the litter which blights our roadsides, parks, playgrounds, fields, streams and other public and private open space; and

WHEREAS, The cleanup of such litter is a burdensome state and municipal expense which consumes labor which might otherwise be put to more constructive uses; and

WHEREAS, The use of throwaway aluminum, steel, glass and plastic containers causes excessive consumption of energy and raw materials in container manufacturing; and

WHEREAS, The disposal of such containers uses limited available landfill space and entails significant collection and cartage costs and disposal fees; and

WHEREAS, Broken glass from discarded glass beverage containers is a serious health and safety hazard and is a cause of damage to automotive and bicycle tires and to farm equipment; and

WHEREAS, Legislation in eight (8) states provides incentives for recycling of beverage containers by requiring a refund value on all such containers; and

WHEREAS, such legislation has resulted in dramatically reduced amounts of broken glass and other litter on roadsides and elsewhere, has reduced consumption of energy and raw materials, and has provided increased employment in the recycling industry;

NOW, THEREFORE, BE IT RESOLVED, by the Township Committee of the

Township of Hanover that:

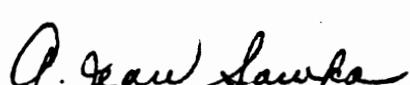
1. The concept of mandatory beverage container deposit legislation is hereby endorsed; and
2. The Legislature and Governor of the State of New Jersey are urged to adopt such legislation; and
3. That the Acting Township Clerk is hereby directed to forward copies of this resolution to Governor Thomas H. Kean and appropriate New Jersey State Legislators.

DATED: July 22, 1982

TOWNSHIP COMMITTEE  
TOWNSHIP OF HANOVER  
COUNTY OF MORRIS  
STATE OF NEW JERSEY

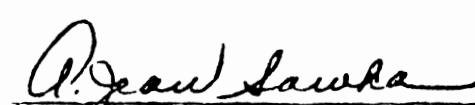
ATTEST:

  
Saverio C. Iannaccone, Mayor

  
A. Jean Sawka, Acting Township Clerk

\* \* \* \* \* \* \* \* \*  
C E R T I F I C A T I O N

I, A. Jean Sawka, Acting Township Clerk of the Township of Hanover, County of Morris and State of New Jersey, do hereby certify the foregoing to be a true copy of a resolution adopted by the Township Committee of said Township on the 22nd day of July, 1982, at a meeting, duly convened, of said Body.

  
A. Jean Sawka, Acting Township Clerk

STATEMENT: Whippany, July 14, 1982  
Hearing: Container Deposit Legislation

Louis E. Schindel  
496 Richmond Ave., Maplewood  
(For identification---  
Maplewood environACTION Group  
NJ Recycling Advisory Comm.  
NJ Noise Control Council  
NJ Clean Air Council etc etc

Thanks to members of the Legislature for organizing this hearing.

TIMES:

"We ~~are~~ are collectively worried because we accept the highly inaccurate predictions that, if demographic and technological growth continues at the present rate, the earth will soon be overpopulated and its resources depleted; food shortages will be catastrophic; pollution will alter the climate, poison the environment, rot our lungs and dim our vision. I believe, as do many others, that industrial civilization will eventually collapse IF we do not change our ways---but what a big IF this is." Emphasis his.

This quotation is from the late bacteriologist, philosopher RENE DUBOS. His last essay before his death in January. From the NY TIMES.

Dr Dubos, in his gentle fashion, states that he believes our civilization can collapse IF WE DO NOT ACT. Being more radical I would pervert the thought and ask CAN MANKIND SURVIVE ? You may be asking what all this has to do with Beverage Container Legislation. Along with the elimination of the NUCLEAR THREAT and adjustments to our food supply system, it is one of the tools to insure the future for ourselves and our children. It is a major tool because it challenges each of us to ACT. Contrary to NUKES and FOODS where we are dependent upon the power structure for solutions, DEPOSIT LEGISLATION is GUT LEVEL. It is a positive, PROVEN means of reducing litter, waste of resources,



and air pollution. Removal and disposal costs can be reduced. Impact on our critical landfills can be diminished. *Q* Let us extract the best provisions of laws in other states, add a bit of New Jersey wisdom, and, with all possible haste get started on the road toward improved quality of life in our State.

"<sup>us</sup> too frequently laws tell/what NOT to do. Deposit legislation is unique. You, our legislators, are saying to us---to all of us, "here is a deal, <sup>To</sup> Passage of DL we'll pay you ~~for~~<sup>A</sup> cleaning up the environment." / This is a golden challenge for you. ~~XXXXXXXXXXXXXX~~ Mankind may not survive unless, we the people, upon request from you, our <sup>A</sup> legislators, put our shoulders to the wheel and change its direction.

*I* should like to anticipate some of the barriers or objections we hear.....

Some will say, "Why bother with deposit legislation or recycling, MASS BURNING will take care of all our garbage." Beware. First it will be ten or more years before they come on line and, when they do, removal of deposit materials <sup>IS</sup> a key to most efficient operation of the monsters.

We hear a great deal about personnel displacement<sup>x</sup>. I share the concern of those who may suffer job changes. However, with a jaundiced view, I would ~~six~~ ask if the REAL displacement is by deposit legislation OR by the industry~~um~~ itself?

POINT: OWEN ILLINOIS recently curtailed operations at North Bergen because QUOTE "Reduced demand for products in the metropolitan area". *W* From the 1979

C-I ANNUAL REPORT; In the Plastics Products Division, "Sales increased sharply in 1978." and "Industry sales of the two-liter plastic container reached nearly 1.5 billion units in 1979 and are expected to reach 2 billion in 1980."

CONTINENTIAL: 1979 " in operation: ten blow molding and 5 injection molding facilities---capacity 500 million two liter bottles annually."

KERR : 1978 A new \$25 million plant opened in Wilson, NC. Space to be

doubled in 1979.

AT THE BOTTOM LINE: Let us not allow the glass manufacturers<sup>10</sup>, kill deposit based in legislation by their smoke screens ~~fix~~ internal maneuvers. When will Kerr close in NJ and Move to North Carolina.<sup>7</sup> Remember if you will that the golfing season is longer there and executives conduct most of their business ~~between~~ at the nineteenth hole!

s\*

What effect will deposit legislation have on RECYCLING ? Obviously volume will be reduced. To those in the game this means simply "pull in your horns on glass and beverage containers". It should also signal an opportunity to expand in fields many have not touched---corrugated, tires, household materials. The greater public good dictates that INVOLVEMENT through deposit legislation exceeds the benefits of recycling. Deposit systems and recycling are compatible .

Yes, the recycling industry will complain and throw up flack about a deposit law . To them I suggest---dedicate your time to increasing demand for your products; spend your public relations dollars teaching <sup>go</sup>overnment how to use recycled paper and other products---your cities will be cleaner and your kids healthier if you allow, the people, the privilege of returning containers for reward.

#### CLOSING:

I would assume none here dispute the fact that our life styles and value systems are in conflict with proven data that our earth may be dangered. The cure lies not in the addition of more and more technological gadgetry but in a turnaround in the way each of us acts. Deposit legislation is the best vehicle for our government leaders to DISPLAY LEADERSHIP---give us a law .

ANTICIPATED IMPACT OF A  
NEW JERSEY  
BEVERAGE CONTAINER DEPOSIT LAW  
ON THE IN-STATE  
BEVERAGE CONTAINER MANUFACTURING INDUSTRIES  
(GLASS, CAN, PLASTIC)  
AND EMPLOYMENT;  
THE IN-STATE  
TRANSPORTATION INDUSTRY  
AND EMPLOYMENT;  
AND  
SMALL AND LARGE BUSINESSES  
WHO SUPPLY GOODS AND SERVICES  
TO THE NEW JERSEY CONTAINER INDUSTRY

7/22/82  
Robert C. Donovan  
Associate Director  
of Public Affairs  
OWENS-ILLINOIS, INC.

S U M M A R Y

ANTICIPATED IMPACT OF BEVERAGE CONTAINER DEPOSIT  
LEGISLATION IN NEW JERSEY ON IN STATE BEVERAGE CONTAINER  
MANUFACTURING AND SUPPORT INDUSTRIES

---

The attached information is based upon the best available data relative to the 18 beverage container manufacturing plants located in New Jersey.

- 7 glass container plants located in Salem, Carteret, Freehold, Millville, Bridgeton, Cliffwood, Wharton.
- 9 beverage can plants located in East Brunswick, Edison (2), North Bergen, Paterson, Piscataway, Wayne, Woodbridge (2).
- 2 plastic beverage container plants located in East Brunswick.

Four scenarios are presented representing a range of developments predicated upon the type legislation enacted and anticipated market reaction if New Jersey were to enact such a law.

While the impact of a recently enacted beverage container law in New York State has not been factored into the attached projections, we anticipate the New York law will cause a minimum of 4,100 New York and New Jersey container industry and teamster job losses.

Were New Jersey to enact a deposit law also, the impact on the thousands of persons employed in the state's glass, can, and plastic beverage container industries and the hundreds of small and large businesses that supply goods and services to these industries would be devastating.

SCENERIO I -- Legislation requiring a deposit on soft drink and beer containers but prohibiting the use of refillable containers.

#### I M P A C T

Container industry and support jobs -- Loss of 407 to 502 container manufacturing and teamster jobs. Similar effect on industries supplying container industry. (In addition to anticipated 4,100 container industry and teamster job losses due to New York law).

Consumer costs -- Minimum increase in soft drink and beer prices of \$1.00 per case. Total exceeding \$131,000,000.

Energy consumption - Increased energy consumption throughout beverage distribution system.

Solid waste -- Probable increase if diversion of soft drink and beer containers from 400 existing recycling programs in state causes a reduction of total glass and can recycling. (example -- New Jersey glass industry anticipates recycling 145,000 tons of glass containers of all types in 1982).

Litter -- Probable reduction of 11% of total litter and 60% to 90% of beverage container litter.

---

SCENERIO II -- Legislation resulting in the exclusive use of refillable glass containers averaging 10 refills.

#### I M P A C T

Container industry and support jobs -- Loss of 4,073 to 5,025 container manufacturing and teamster jobs. Similar effect on industries supplying container industry. (In addition to anticipated 4,100 container industry and teamster job losses due to New York law)

Consumer costs -- Minimum increase of \$1.00 per case. Total exceeding \$131,000,000.

Energy consumption -- Reduced beverage container manufacturing energy consumption. Increased consumption throughout distribution system.

Solid waste -- Probable decrease. However, existing glass and can recycling programs would probably stop to the detriment of the objectives of the New Jersey Recycling Plan.

Litter - Probable reduction of 11% of total litter and 60% to 90% of beverage container litter. Increase in weight of litter due to heavier refillable glass containers replacing light weight non-refillable glass and plastic bottles and cans.

SCENARIO IV -- (MOST PROBABLE)

Legislation and/or market forces resulting in:  
30% refillable/returnable glass containers  
70% non-refillable glass, can and plastic beverage containers  
and -- anticipated 10% minimum reduction in beverage sales.

Reduction in New Jersey beverage container market from  
3,500,000,000 12 oz. equivalents to 2,299,500,000.

I M P A C T

Container industry and support jobs -- Loss of 1,536 to 1,896  
beverage container manufacturing and teamster jobs. (In  
addition to 4,100 job losses anticipated following imple-  
mentation of New York law)

Shutdown of 4.1 to 5.1 New Jersey container manufacturing  
plant equivalents.

34% reduction in production, shipments and jobs in industries  
supplying the New Jersey beverage container manufacturing  
industries including:

Corrugated box suppliers  
Kraft and medium paper suppliers  
Printing ink suppliers  
Sand suppliers  
Soda ash suppliers  
Lime suppliers  
Cullet suppliers  
Recycling operations  
Aluminum can stock suppliers  
Stainless steel roll stock suppliers  
Plastic resin suppliers  
Pallet suppliers  
Closure manufacturers  
Truck/trailer manufacturers  
Transportation industry  
Many Other Suppliers of Goods and Services, eg.  
office suppliers, etc.

Consumer costs -- Minimum increase of \$1.00 per case on soft drink  
and beer. \$131,000,000 per year.

Energy consumption -- Reduced energy consumption in container industry  
offset by increased consumption of motor fuels used in beverage  
distribution and deposit container retrieval.

Solid waste -- Increased volume - or possibly no change. Diversion  
of beverage bottles and cans to the retailer thence bottler  
and beverage wholesaler from 400 existing recycling programs  
would lead to shutdown of most existing programs. 10% to 30%  
of deposit containers disposed of in landfills.

Litter -- Probable reduction of 11% of total litter and 60% to  
90% of beverage container litter.

NEW JERSEY CONTAINER INDUSTRY

BEVERAGE CONTAINER MANDATORY DEPOSIT LAW IMPACT

**ESTIMATED NEW JERSEY SOFT DRINK AND BEER MARKET:**

3,500,000,000 12 oz. equivalent -- glass, metal, plastic containers  
 146,000,000 cases (24-12 oz. equivalent)

	REDUCTION IN CONTAINER PRODUCTION 12 OZ. EQUIV.	JOB LOSS EQUIVALENT LOW 1.15/HIGH 1.45 (JOBS PER MILLION CONTAINERS)	PAYROLL LOSS MIN. \$18,000 MAX. \$35,000 (PER JOB)	PLANT CLOSING EQUIVALENT @339 JOBS PER PLANT	ADDITIONAL UNQUANTIFIABLE ECONOMIC IMPACT
<b>SCENERIO I</b>					<b>Due to reduced production and jobs in industries supplying:</b>
100% non-refillable beverage containers					<b>GLASS CAN PLASTIC BEV.</b>
10% reduction in market anticipated	315,000,000	362	\$ 6,516,000 - \$12,670,000	1.06	sand alum. & resins
Total container market 3,150,000,000		457	8,226,000 - 15,995,000	1.35	soda ash steel corr. boxes
<b>SCENERIO II</b>					lime roll kraft paper
100% returnable/refillable glass containers					cullet stock suppliers
Averaging 10 refills--and a 10% reduction in market -- total container market 315,000,000	3,185,000,000	3,663	\$65,934,000 - \$128,205,000	10.8	corr. boxes corr. boxes etc.
		4,618	83,124,000 - 161,630,000	13.6	kraft paper kraft paper
					suppliers suppliers
					etc. etc.
<b>SCENERIO III</b>					The New Jersey container industry ships more than 200,000 trailers per year representing more than 1100 teamster jobs. (400-500 NJ Bev. Cont.)
50% R/R glass - 10 refills (157,500)					Incoming volume of raw materials and supplies by truck and rail = 1000 additional jobs (est.)
50% non-refillable glass, can, plastic (1,575,000M)					
Total container market 1,732,500,000	1,767,500,000	2,033	\$36,594,000 - \$71,155,000	6.0	<b>CARRIER PLANT COMMUNITIES</b>
		2,563	46,134,000 - 89,705,000	7.6	reduced local business volume
					real estate market deterioration
					local taxes
<b>SCENERIO IV</b>					<b>STATE</b>
30% R/R glass - 10 refills (94,500M)					lost corporate taxes
70% N/R glass, can, plastic (2,205,000M)					unemployment comp. increases
Total container market 2,299,500,000	1,200,500,000	1,381	\$24,858,000 - \$48,335,000	4.1	welfare roll increase
		1,741	31,338,000 - 60,935,000	5.1	



GLASS PACKAGING INSTITUTE  
 2000 L Street NW  
 Washington, DC 20036  
 (202) 872-1280

ECONOMIC PROFILE OF THE NEW JERSEY  
 GLASS CONTAINER INDUSTRY FOR 1982

<u>COMPANY</u>	<u>PLANT LOCATIONS</u>	<u>TOTAL NUMBER OF EMPLOYEES</u>	<u>TOTAL PAYROLL</u>	<u>TOTAL TAXES STATE</u>	<u>TOTAL TAXES LOCAL</u>
Anchor Hocking	Salem	746	\$ 20,323,397	\$463,000	\$153,000
Ball Corporation	Carteret	420	8,591,900		177,800
Brockway Glass	Freehold	737	13,706,440	393,000	338,000
Kerr Glass	Millville	1,030	20,079,000	890,000	311,000
Leone Industries	Bridgeton	100 (est.)	2,000,000 (est.)		
Midland Glass	Cliffwood	507	13,500,000	400,000	150,000
x <sup>06</sup> Owens-Illinois	Bridgeton	850	19,744,897		
	Millville Sand Plant	16	322,466		
	North Bergen	40	800,000		
	Vineland	(1,729)	(28,048,000)		
Thatcher Glass	Wharton	831	16,425,000	N/A	708,000
Wheaton Industries	Millville	(2,200)	(40,000,000)	\$2,500,000	(combined)
TOTAL	Glass Bev. Container Mfg.	5,277			
GRAND TOTAL	Other Glass Containers	(3,929)			
		<u>9,206</u>	\$183,540,000		

New Jersey State Library

NEW JERSEY BEVERAGE CAN  
MANUFACTURING PLANTS

AMERICAN CAN	- East Brunswick
NATIONAL CAN	- Edison
CROWN CORK AND SEAL	- Edison
CONTINENTAL CAN	- Piscataway
REYNOLDS ALUMINUM	- North Bergen
KAISER	- Paterson (plastic arts plt. for can manufacturing process)
	- Wayne
	- Woodbridge
	- Woodbridge

1980 New Jersey Beverage Can Industry

6 companies	\$50,901,000 payroll
10 plants	1,924,000 taxes
1,652 employees	

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NEW JERSEY PLASTIC BEVERAGE  
CONTAINER MANUFACTURING PLANTS

CONTINENTAL	- East Brunswick
OWENS-ILLINOIS	- East Brunswick

Approximately 300 employees

OWENS-ILLINOIS IN NEW JERSEY  
(January 1, 1982)

NG. RICT	PLANT/DIV.	EMPLOYEES	WAGES	TOTAL PURCHASES
1st	Glassboro Closure	668	\$ 14,669,136	\$ 59,646,852
2nd	Bridgeton GCD	850	\$ 19,744,897	\$ 37,635,690
2nd	Millville GCD Sand	16	\$ 322,466	\$ 672,183
*2nd	Vineland Kimble; OI Schott Process Systems, Inc.	1,678	\$ 31,803,627	\$ 40,597,769
**3rd	Holmdel Lily	696	\$ 8,967,255	N/A
4th	East Brunswick PBO (PPD)	127	\$ 2,538,258	\$ 15,770,387
8th	Wayne Closure	82	\$ 1,669,190	\$ 2,837,401
***9th	Moonachie FPD Box	53	\$ 3,322,708	\$ 14,036,849
***9th	North Bergen GCD	528	\$ 12,455,923	\$ 19,374,555
15th	Edison PPD	<u>179</u>	<u>\$ 3,327,306</u>	<u>\$ 7,899,748</u>
	Subtotal Plants	4,877	\$ 98,820,766	\$198,471,434
les Offices and Other Operations New Jersey...		<u>50+</u>	<u>\$ 5,639,929</u>	<u>N/A</u>
<b>T O T A L S</b>		4,927	\$104,460,695	\$198,471,434

A - figures not available

\* - Wages, purchases and employees include both Vineland Kimble and OI Schott Process Systems, Inc. (Associated Company).

\*\* - Holmdel along with a number of other Lily facilities was sold to new owners in September, 1981. Currently 12 employees of OI still located in Holmdel.

\*\* - Moonachie Plant shutdown permanently December, 1981. Currently 7 employees located in Moonachie.

\*\* - Glass Container manufacturing shutdown permanently 3/12/82. Warehouse continues to operate. The Glass Recycling Processing Center dedicated 12/8/81 will continue to operate. Currently 40 employees located in North Bergen.

OWENS-ILLINOIS IN NEW JERSEY  
(continued)

ADDITIONAL ECONOMIC INFORMATION FOR 1981

State/County/Local Taxes - of which \$2,231,875 is State Employee	
Withholding Tax	\$ 8,719,723
Shareholders Residing in State	1,729
Dividends Paid to Shareholders	\$ 823,367
Retirees Residing in State	1,778
Retirement Income Paid to Retirees	\$ 7,113,210
Destination Sales	\$161,168,140



Glass  
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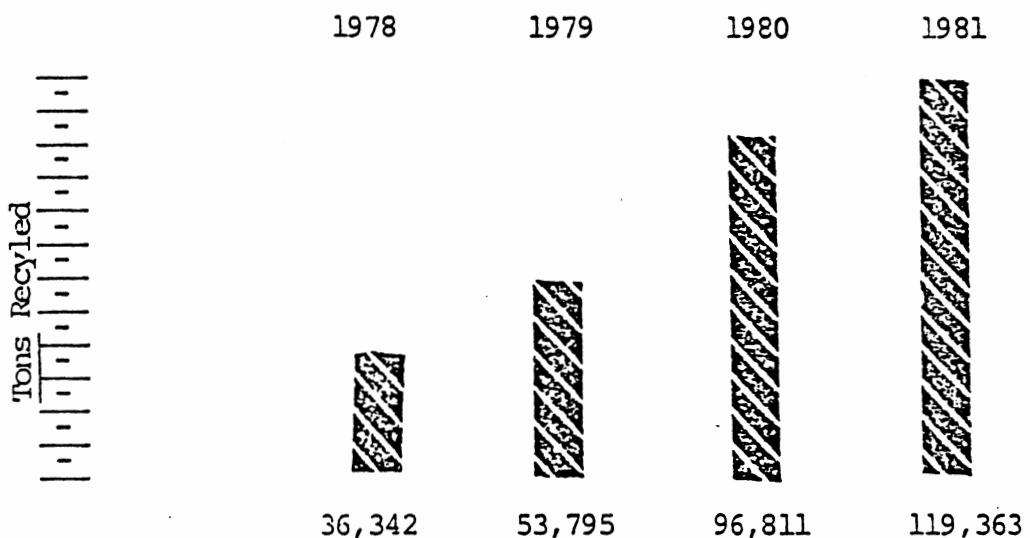
MEMORANDUM

2000 L STREET N.W., SUITE 815  
WASHINGTON, D.C. 20036  
(202) 872-1280

TO : New Jersey Recycling Forum  
FROM : E. Gifford Stack ~~S.G.S.~~  
Director, Resource Recovery  
DATE : June 21, 1982  
SUBJECT : Glass Recycling in New Jersey

SUMMARY:

Glass recycling in New Jersey has expanded over 325% in the last four years.



From 1980 to 1981, the seven glass plants affiliated with GPI increased cullet (crushed recycled glass) by 23.3%.

Comparing the first quarter of 1981 to the same period this year, these plants consumed 22.7% more cullet. If this trend continues, New Jersey plants will purchase over 144,000 tons of recycled glass in 1982.

During 1981, New Jersey led the nation in tons of glass recycled, (see attached news release).

Based on the national average of yearly per capita glass consumption, around 104#, the people of New Jersey recycled 31% of their glass containers.

#### SOURCES:

The New Jersey glass plants use a variety of methods in purchasing cullet:

- o At-plant buyback centers. These recycling facilities are open to the general public who may sell used containers directly to the plant.
- o Municipality program. Glass is collected in conveniently located containers sponsored by a municipality and transported to the plants and/or an intermediate glass processor.
- o Intermediate Glass Processor (IGP). Currently, there are some eight business who collect, process and sell clean cullet to New Jersey's plants.
- o Private recyclers. These entrepreneurs either collect or buy glass and sell directly to the plants.

#### COMMITMENTS:

Every GPI member plant in New Jersey has made a commitment to using more cullet. Each has the capacity to take more tonnage than they currently purchase. Some have installed elaborate cullet processing equipment, others are investigating new ways to transport recycled glass. Still others are encouraging existing IMPs to expand. Quite simply, the New Jersey glass industry wants more cullet.

/mcr

# OWENS-ILLINOIS

QH

Robert C. Donovan  
Regional Public Affairs Director

## FOR IMMEDIATE RELEASE

FROM: JUDITH HUGGINS  
(419) 247-1921

Glass container recycling has rocketed by nearly 600 percent this year at the North Bergen glass reclamation center of Owens-Illinois, Inc., and prices paid for recycled glass have been increased to give municipalities and commercial recyclers even more incentive to collect used bottles and jars.

John D. Elliott, coordinator of the recycling operation, said nearly 17 million pounds of glass containers have been bought back locally since January 1 for recycling at O-I glass container manufacturing plants.

"We are buying back an average of 3.4 million pounds of used bottles and jars a month, compared to an average of 500,000 pounds a month during 1981 Mr. Elliott said.

He credited the dramatic increase in glass container recycling to the New Jersey Recycling Act, which has stimulated public awareness and community wide reclamation programs, and to the installation by O-I of major glass processing equipment at North Bergen late last year.

Much of the color-sorted glass that the Owens-Illinois reclamation center now is buying would have been unacceptable a year ago because it contains metal caps, lids, and neckbands. The new glass processing machine removes these metal contaminants as it crushes bottles and jars at the rate of 50,000 pounds an hour.

Organized recycling programs conducted by municipalities and commercial recyclers are by far the largest suppliers of the North Bergen operation, returning between 2.5 million pounds and 3.5 million pounds of glass containers monthly to the manufacturing process.

-more-

In order to encourage more large-scale programs, all suppliers of at least 50 tons a month will be paid \$50 a ton for their reclaimed bottles and jars, effective immediately. Suppliers of 100 tons a month or more will receive \$52.50 a ton.

"As a company, O-I is committed to helping New Jersey meet its goal of recycling 25 percent of all municipal solid waste by 1986," Mr. Ellicott said. "The development of organized and effective community-wide programs is a key to reaching that goal, and we believe this additional economic incentive will help spark more programs."

Mr. Elliott also noted that individuals and families have doubled their rate of recycling bottles and jars at the center since Jan. 1, indicating that the general public believes in the ethic even where no organized community program exists.

For smaller quantities of reclaimed glass containers, the center pays the public two cents a pound, or \$40 a ton. The O-I glass reclamation center is located at 2220 91st Street in North Bergen and is open 8 a.m. to 3 p.m. Monday through Saturday. Glass containers must be relatively clean and separated by color -- green, brown, and flint or clear. For additional information, Mr. Elliott can be reached at (201) 869-3400.

After crushing the color-sorted containers, the North Bergen glass reclamation center ships the glass to O-I glass container manufacturing plants at Bridgeton, N.J. and Toano, Va., for recycling into new containers.

In addition to reducing the municipal solid waste stream, recycling glass containers saves energy, conserves natural resources, reduces glass manufacturing plants' air emissions, and discourages littering.

-more-

Owens-Illinois is one of the nation's largest suppliers and recyclers of glass bottles and jars. The company's glass container manufacturing plants in 1981 bought back and recycled a record 465.7 million pounds of bottles and jars, paying suppliers approximately \$10.5 million for the glass.

Owens-Illinois is one of the world's leading manufacturers of packaging materials. Sales of its glass, paper, metal, and plastic products were \$3.9 billion in 1981. The company, which is ranked as the 98th largest industrial firm in the nation, is listed on the New York Stock Exchange and is one of the 30 firms that make up the Dow Jones industrial average. O-I maintains its corporate headquarters in Toledo, Ohio.

6-21-82-H-100

POTENTIAL EFFECT OF BEVERAGE CONTAINER LEGISLATION ON

MONTCLAIR RECYCLING

1. Tonnage

We anticipate a loss of 45% of glass and 75% of aluminum.

2. Income

	<u>Without BCL</u>				<u>With BCL</u>			
	Tons	@	\$/ton*	Income	Tons	@	\$/ton*	Income
Newspaper	1,800	\$ 37	\$ 66,600		1,800	\$ 37	\$ 66,600	
Magazines	--			--	--			--
Glass	1,150	\$ 52.50	60,375		630	\$ 50	31,500	
Aluminum	7	\$480	3,360		1.75	\$340	595	
Ledger	50	\$ 50	2,500		50	\$ 50	2,500	
Oil & Misc.			1,000					1,000
Recycling Grant (200 tons glass) (?)			<u>4,000**</u>					<u>--**</u>
Total	3,007		\$137,775		2,482			\$102,195
Difference								(\$ 35,580)

\* Prices currently in effect

\*\* Montclair will pay about \$8,000 in recycling surcharge

3. Expenses

By eliminating collection, processing and delivery of 9.5 tons of glass per week we might be able to eliminate one employee. Equipment operating costs would be affected very little since collection mileage would remain unchanged. A loss of \$35,000 equals the wages of 2.7 employees.

4. Conclusion

Beverage container legislation would result in a 17% reduction in tonnage and a 26% reduction in income which would necessitate a 34% reduction in the work force - or a municipal budget appropriation to make up the deficit.

Without this legislation we would anticipate the program to continue to break even.

5. Disposal credit of \$20,448 (@ \$6.80/ton) not included.