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

Held:
August 25, 1982
Millville Senior High School
Millville, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Robert P. Hollenbeck (Chairman)
Assemblyman Harry A. McEnroe (Vice Chairman)
Assemblywoman Maureen Ogden

ALSO PRESENT:

Mark Connelly, Research Associate
Norman Miller, Team Supervisor
Office of Legislative Services

New Jersey State Library

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SECRET

MEMORANDUM FOR THE NATIONAL SECURITY AGENCY

ON

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DATE

APRIL 22, 1954

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ASSEMBLYMAN ROBERT P. HOLLENBECK (Chairman): Ladies and gentlemen, good morning. I am Assemblyman Hollenbeck. I am from District 36, which is the Southern Bergen County area. I am the Chairman of the Assembly Energy and Natural Resources Committee. As you are well aware, this is the second public hearing dealing with, as generally known, "Bottle Bills". The leadership of the Assembly has asked that I take the seven bills, with all varying nuances, and have public hearings in reference to the subject. Our first public hearing was held on July 14, 1982 in Morris County, and the second public hearing is being held in Cumberland County, of course, one that could be most deeply affected by this legislation.

My schedule for today will be: I will keep the hearing going; I will not break for lunch. I will go until 4:00. At 4:00, we will hear the last speaker. We have had a great deal of testimony already. We have received a great deal of information from various groups. Those who want to testify, if you can bring up a new coin, we will be glad to hear it, but to have redundancy, we will be accomplishing nothing. No one will speak unless I recognize them. I control who is going to speak. We probably have over 60 speakers listed, and we are never going to reach them all. For your information, though, the record of the hearing is kept open for 10 days after this hearing to give you time to submit prepared statements and have them placed into the record. When the transcript is completed, we will read through it to see what your opinion is.

I would like to open with Congressman William Hughes of the 2nd Congressional District.

(Applause)

We are going to control something very fast, all right? Applause, yells, boos, and cheers belong in football games, not at legislative hearings. It is not too impressive. We would get more done without it. So, let's keep it down, and we can move right along. Okay, Congressman, it is nice seeing you again.

CONGRESSMAN WILLIAM J. HUGHES: Thank you, Mr. Chairman. Welcome to "God's Country" once again. I appreciate your conducting this second hearing in Southern New Jersey. We welcome you to South Jersey.

I am particularly pleased to have the opportunity to submit my comments on various legislative proposals to establish a statewide system of beverage container deposits, and to discuss the impact that enactment of such legislation would have on the citizens of this State.

As you know, the issue of whether mandatory deposits should be required on beverage containers has received considerable national attention in recent years. Several states have enacted various statutes to control litter, either by requiring mandatory deposits on beverage containers, prohibiting the sale and use of certain types of containers, or by taxing the use of certain materials which often end up as litter. At the same time, a number of states and local entities have taken steps to encourage recycling of materials such as glass, metal cans, and paper, to both further the reuse of these materials in an economically efficient manner, and to reduce the nuisance of litter on our streets and highways.

Supporters of the legislative proposals requiring a mandatory deposit on beverage containers claim that mandatory deposits would discourage the disposal of these containers and encourage their reuse. They claim that the measure would also conserve energy and reduce litter and the amount of solid waste.

These are, of course, valid economic environmental goals. The enactment of mandatory deposit legislation, however, would have a far greater impact than merely encouraging the recycling of glass and other beverage containers. There is often a price which comes from mandating significant changes in manufacturing and distribution systems, and it comes in the form of lost jobs and increased costs. The State of New Jersey, for example, has already suffered a loss of some 4,000 jobs in the glass industry since 1977. The passage of mandatory deposit legislation will further endanger the jobs of an additional 10,000 men and women who are directly employed in the State's glass industry. Many thousands more indirectly associated with the glass industry would be adversely affected if legislation requiring the return and reuse of glass beverage containers were to go into effect.

The situation in South Jersey is even more critical. In Cumberland County alone, close to 2,000 jobs would be affected by the enactment of mandatory deposit legislation. Cumberland County already has an unemployment rate of 17.6%, the 5th highest rate in the entire nation. Any action which further jeopardizes the livelihood of those remaining employed would be disastrous for the citizens of this region. Before you enact legislation requiring mandatory deposits, it is important to critically evaluate whether the proposal will actually achieve the worthy goals which it seeks to advance. At the same time, it is important to determine whether alternatives are open to us, which may be more effective in achieving these objectives without jeopardizing the livelihood of thousands of workers in these most difficult economic times.

Despite the fact that many of the litter control proposals focus on controlling litter by requiring the recycling of beverage containers, only about 20% of our trash and 6% of all solid wastes is composed of bottles and cans combined, while paper and paper products make up more than 60% of all litter.

Recycling is already encouraged throughout the State, with recycling stations paying as much as \$.02 a pound for bottles. Indeed, glass plants in South Jersey are recycling tens of thousands of pounds of glass each year. I am convinced that requiring mandatory deposits on containers will not solve the litter problem or dramatically increase the incentive to recycle glass. As many as 200 separate items have been identified as part of the litter stream, including many miscellaneous items from food and hubcaps to old shoes.

If we are really serious about adequately addressing this large-scale problem, we must take a much broader approach to reducing the amount of litter along our roadways. The State of Washington, for example, has a Model Litter Law that has achieved dramatic results in reducing roadside litter. It is based upon public education, the widespread distribution of litter receptacles, and severe penalties on those who litter. Washington's program is financed through a small fee on those involved in the sale of materials that may end up as municipal trash. The State's Department of Ecology reported that litter was reduced by 66%, four years following the adoption of their program. Considering that only a small percentage of litter consists of beverage containers, I submit that this approach would have a far more beneficial result in the long run at reducing litter overall, rather than focusing on just litter from one source.

A second major concern is whether a state deposit on beverage containers might help us save valuable energy resources, an issue that certainly needs a great deal of study and attention. Refillable containers must be made of stronger and more durable materials, requiring more energy in the manufacturing

process. Because they are also heavier, more energy is also required to transport these containers. Returnable bottles going to the source of manufacture require even more in terms of fuel and handling costs. Enactment of mandatory deposit legislation in Oregon and Michigan, for example, resulted in significant increases in the amount of fuel needed to handle beverage container distribution and return. Beverage handling in Oregon requires almost twice the amount of fuel as that required in neighboring Washington, a state which has adopted a broader, more comprehensive approach towards litter control, which I have outlined above.

In addition to the increased manufacturing and transportation cost, the mere conversion of manufacturing, bottling, and distribution plants to provide for the reuse of bottles, would require major financial expenditures and additional energy costs in this capital star of environment of ours. Many of New Jersey's glass producing plants are already only marginally competitive and would be unable to afford the cost of conversion as well as the tremendous adverse economic impact of a severely reduced market for their product.

Enactment of this legislation would virtually shut down a major portion of the glass industry in South Jersey, and severely impact the 15% to 17% of Cumberland County's workers who hold positions in the glass industry. The industry cannot afford the cost of conversion to the slower and less efficient processes required for producing heavier glass, as well as the equipment needed to clean reusable bottles. More importantly, though, South Jersey just cannot afford to lose this industry.

Increased costs to wholesalers and retailers for handling, sorting, cleaning, and transporting empty containers will only translate into higher costs to consumers. In Iowa, for example, the estimated cost to consumers resulting from the State's mandatory deposit law was recently estimated at more than \$20 million a year. It is a "hidden tax," in essence. Experience from other states indicates that bottle laws are having a devastating effect on area recycling centers, some experiencing as much as a 40% to 60% loss in business because bottles and cans are returned to the stores. Thousands of civic groups and individuals have earned millions of dollars through these recycling centers, which have added an estimated 15,000 new jobs to the economy.

Recycling and resource recovery should be encouraged, but mandatory deposit legislation does not further that policy. It actually detracts from the policy that we have to move in in the years ahead - resource recovery and recycling.

In conclusion, Mr. Chairman, I submit that mandatory deposit legislation is clearly not the answer to our litter problems. What is needed is a legislative initiative patterned after the Washington experience, as well as a stronger and broader commitment to resource recovery and recycling throughout our great State. I thank you, and I will be very happy to respond to any questions you might have.

ASSEMBLYMAN HOLLENBECK: Congressman, thank you very much for your testimony. We are going to look for a little more detail, obviously, when we get the transcripts of the hearings. I want to thank you very much. I have no questions.

CONGRESSMAN HUGHES: I thank you. And I thank you for allowing me to testify today.

ASSEMBLYMAN HOLLENBECK: Ladies and gentlemen, I would like to introduce to you the people on the stage with me: Mark Connelly, Norman Miller, and Denise Drace are members of Legislative Services; Peter Guzzo and Glen Beebe are from the Minority and Majority staffs of the General Assembly; and, of course, we have our reporters.

Our next speaker will be Senator James Hurley. I'm sorry Jim, I just couldn't think. It is District 1, isn't it?

SENATOR JAMES R. HURLEY: District 1, that's right. That's Cumberland County, and Cape May.

Mr. Chairman and members of the Assembly Committee: First of all, I want to say that Congressman Hughes was glad you did not admonish the audience until after he appeared on the stage, so he got the applause. (Laughter) May I extend my personal appreciation to you, Mr. Chairman, and to the members of your staff, for scheduling this public hearing on these very important bottle bills in Cumberland County.

At 7:30 last night, I received a telephone call from Cary Edwards, Counsel to Governor Thomas Kean. He had spent yesterday with Governor Kean in his room at St. Barnabas Hospital, where he is suffering from a back ailment. He had asked him for his feelings about the bills under discussion today. These are Governor Kean's words, "As laudible as the purpose of these bills may be, in these difficult economic times I cannot support legislation that would adversely affect jobs." That is exactly where we are. After years of defeating forced deposit legislation in Committee after Committee, we have again come down to the very heart of the matter. Enactment of forced deposit legislation will cost jobs, and when jobs are lost, people lose them. And in this case, it is not some distant unknown person who gets hurt, it is the friend, the neighbor, the relative, the husband, the mother, the sister, the people you have known for years and years, hard-working, earnest, and eager craftsmen who have made this part of the State well-known because of their glassmaking ability.

You are here today in a town where the first glass plant was created in 1804, and where generations of workers have tended the lears, the furnaces, and packed and shipped ware all over the world. Do you know why glass manufacturing has thrived here? Some will tell you it is the proximity of the raw materials. But, the real reasons are the legions of faithful, dedicated, honest, and talented glassmakers who have lived, worked, and raised families right here for the past 178 years. Other speakers will undoubtedly recite the statistics from Oregon to Michigan, to Vermont, to Connecticut, or to New York. They will tell you how many jobs have been lost; how much havoc has been visited on families; how much economic turmoil has been generated by forced deposit legislation; about how the legislation doesn't really solve the litter problem; and, about how we haven't given the Recycling Act a chance to work here in New Jersey.

All of these things are meaningless. Let me tell you, as one who represents the heart of the glass container business in this State, the decision is literally in your hands. You can vote one or more of these bills out of Committee and be remembered as a participant in an act that forced people out of work; or, you can bury these bills in Committee, forget about them, defeat them, refuse to let them come out, and, you can feel then that you did not, could not, and would not be a part of ruining the lives of innocent people. I know you will

make the right decision. These bills are not in the best interest of the people of this State. As servants of the public, you must recognize the fact -- and I am sure you do -- that Cumberland County already has an extraordinary unemployment problem. I beg you, I implore you, and I urge you that the one thing you can do today, before you leave Millville, is to tell all of the people gathered here that you want to help them, not hurt them. You can tell them that by saying to them, "We will save your jobs." Thank you. I thank you for the opportunity to testify, and I would answer any questions you might have.

ASSEMBLYMAN HOLLENBECK: Excuse me for one minute. Ladies and gentlemen, we are joined by the Vice Chairman of the Committee, Assemblyman Harry McEnroe.

I have a question for you, Senator. We frequently hear about the New Jersey Recycling Act. We know that New Jersey is now recycling glass at an extremely high rate, and that glass is coming back in the form of cullet, I assume, to the glass industry. What has been the impact of that on employment?

SENATOR HURLEY: Pardon me?

ASSEMBLYMAN HOLLENBECK: What has been the impact of the Recycling Act on the employment in the glass industry?

SENATOR HURLEY: You have to recognize -- I am not an expert in the manufacturing of glass -- that all glass made here in the container business is made with a portion of cullet and always has been. The impact really hasn't been totally felt in this area, although I was talking to the plant manager of the Bridgeton Owens/Illinois plant this morning, who told me that he buys glass from Woodbury. Woodbury is a municipality in Gloucester County that has one of the first community-wide, curbside pickup recycling plans in New Jersey. In Cape May County, I am sure you are aware that they have a county recycling unit. Seven of the municipalities are already picking up at curbside. They have already sold about a million pounds of glass, paper, and aluminum cans in that county. The point I am trying to make is that it can be done. I think Cumberland County is behind in its recycling efforts. It is behind in its resource recovery efforts. In Cape May County, again, they are now studying-- They have a feasibility grant study from the State, under the Recycling Act, to study the feasibility of resource recovery producing energy from other waste, the waste that is left after the recycling. I don't know what that study is going to show, but I suggest, unless we move in that direction in the State-- that was the direction that the Recycling Act pointed us to, number one, to recycling those materials that can be reclaimed, and, number two, the resource recovery, we are going to have further unemployment in our State. There is no question about it.

These glass companies will buy the glass that is being collected at curbside anyplace and everyplace in New Jersey. They can use it. I can say that without a great deal of knowledge of the glass business.

ASSEMBLYMAN HOLLENBECK: You really didn't get the point of the question, Senator. The point of the question -- and, I guess, really when we get down to bottle legislation -- is, if the Recycling Act is returning a great deal of glass in the form of cullet to the glass industry, and it has had no major impact on the employment, then deposit legislation -- which, by the way, is not refillable -- they are not talking about refillable bottles, they are talking to come back again for recycling in the form of cullet, why would that amount of glass cause unemployment?

SENATOR HURLEY: I am going to leave your question to the experts.

ASSEMBLYMAN HOLLENBECK: You can't have it both ways and say that the Recycling Act is good, when we know that the amount of tons of glass that has been returned to the glass industry, which is good, but yet we take a deposit where we are going to turn some more glass back in the form of cullet -- not refillables-- and that is bad. That is going to hurt employment?

SENATOR HURLEY: You are dealing with a trade-off, and you are assuming--

ASSEMBLYMAN HOLLENBECK: I guess that is really where we are getting down to, the crux of the issue. That is the one that is going to have to be answered.

SENATOR HURLEY: That is right. And there are answers here today. There are people here today that can answer your question far better than I can.

ASSEMBLYMAN HOLLENBECK: All right. For the general audience--

SENATOR HURLEY: (Interrupting) I would hope that you would ask that question of them.

ASSEMBLYMAN HOLLENBECK: You heard the point that I have made, and I wish that somebody who is going to testify could answer that particular question.

SENATOR HURLEY: I am sure they will. I know they will. I deliberately stayed away from such questions because I am a legislator, I am not a glass manufacturer. I'm speaking of the job loss.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Senator. Harry, did you have a question?

ASSEMBLYMAN McENROE: No, I have no questions. Thank you.

ASSEMBLYMAN HOLLENBECK: Thank you.

SENATOR HURLEY: Thank you.

ASSEMBLYMAN HOLLENBECK: Next, we have Assemblyman Joseph Chinnici from the first legislative district.

A S S E M B L Y M A N J O S E P H W. C H I N N I C I: Good morning, Mr. Chairman and Assemblyman McEnroe. I noticed we have Assemblyman Tom Cowen from Jersey City visiting with us today, and I am hoping he will testify. Before I start, Mr. Chairman, Mr. Hurley was right, you will get the answers to the questions that you asked by people here who know the answers. First of all, I am very pleased that you have scheduled this meeting in the heart of the glass industry - Cumberland County. As you well know, Senator Hurley, Assemblyman Guy Muziani, and myself, who represent District 1, are vitally concerned. I might add, before I start with my statement, that this is not the first bottle bill that has been introduced in the Assembly, during my six terms in the Assembly. Each of them, Mr. Chairman, has been defeated by the Committee itself, and we are so pleased about that. I am hoping that something is going to happen along those lines.

My statement is going to be very brief. At this point in time, South Jersey is in trouble employment-wise, with unemployment running as high as 17½%. Be it known that the glass industry in this area employs approximately 20,000 people with the ancillaries, not to mention the thousands of others who are affected. I believe that if any bottle bill legislation is passed, this unemployment rate could climb as high as 25½%.

The bottles that are being produced today must compete with aluminum and plastic containers for the beverage market. In order to successfully compete,

their bottles have to be light in weight and made at very high speeds so that the cost of production is kept down to a minimum. These lightweight bottles are not able to be recycled because they would break during the process of being washed and refilled. So, we are not talking about them being used as a refillable bottle. Therefore, to meet the intent of the bottle bill -- this is included in the bill -- a heavier bottle will have to be produced. The present machinery that the glass industry is using today will be absolutely obsolete. It will cost the glass industry millions upon millions of dollars if they have to meet this bill's requirement.

In addition to the cost of producing such bottles, it would increase the cost to the consumer, making the glass bottles unable to compete with the aluminum and plastic containers. I think we will have to agree with that.

As a graphic example of what could happen, I am going to cite one state that adopted bottle bill legislation. One of the Owens/Illinois plants, which is located about nine miles from here, and which happens to be my hometown, Mr. Chairman, temporarily closed its plant in Michigan because of a bottle bill and never reopened it. This is the potential of a bill of this nature.

Bottle bills are not only opposed by the glass industry and their workers, but the many other facets of the community that would be negatively affected. The small business beverage dealer, such as grocery stores and delicatessens, would be hard-pressed to have to accept every glass container that is returned. These retailers would have to make provisions for receiving and storing thousands of returned containers. Teamsters are also concerned over the probable reduction of the amount of glass containers to be transported and the job layoffs that will occur.

The New Jersey Chamber of Commerce also opposes the bottle bills for many reasons, but primarily for the loss of jobs. Reduction in sales and tax revenues minimize litter reduction and their regressive effect on New Jersey's growing recycling effort. However, the hardest hit of all will be the consumer, because if this legislation is passed, it will cost more to produce containers, and this increased cost will be passed on to the consumer.

Also, there will be more unemployment. There are even provisions in A-78. Mr. Chairman, we talked very briefly about that in Trenton, if you recall, when you were mentioning to Mr. Hurley, Mr. Muziani, and myself, that this bill was turned over to your Committee. A-78 is providing funds to deal with the possible unemployment in the glass industry caused by this bill. If we are not looking at the possibility of unemployment, why would the sponsor of Bill A-78 try to even think of providing funds to deal with unemployed? We cannot have this.

In conclusion, the thrust of these bottle bills is to bring about less litter on New Jersey's roadsides, and glass bottles are not the biggest offender. More paper is found than anything else. Mr. Chairman, I hope you would drive around the 1st District. You will see that bottles are not the biggest offender; it is paper. Therefore, let us continue to put more emphasis on our recycling program, because that would be beneficial for all rather than costing people their jobs and consumers more money.

Mr. Chairman, we are truly concerned with this, and you know that we are. Because the glass industry has been an industry which has been the lifeline of Cumberland County, and parts of South Jersey other than Cumberland,

we are going to Gloucester and Salem also. Incidentally, the Assemblymen and Senators from that area are truly concerned about this bottle bill also. We ask you, please, before any action is taken, to reconsider seriously about not letting it get out of Committee. I thank you very much. If you have any questions, I will try to answer them.

ASSEMBLYMAN HOLLENBECK: Assemblyman, your testimony was basically dealing with A-78, which deals with refillable bottles. Would that same testimony be true if we were talking about recycling bottles which come back in the form of cullet? Would the machinery have to be changed for that reason?

ASSEMBLYMAN CHINNICI: In a few different words, you are asking me the same question you have asked Mr. Hurley. You are going to get the answer to that, sir, today.

ASSEMBLYMAN HOLLENBECK: Would the same thing, in reference to competitive cost-- If that glass came back in the form of cullet to be recycled, would you lose your competitive advantage, or any competitive advantage to the aluminum can manufacturers?

ASSEMBLYMAN CHINNICI: It is my understanding, Mr. Chairman-- I don't want to dwell into it--

ASSEMBLYMAN HOLLENBECK: (Interrupting) Because you testified that you would. That is why I am-- I am trying to find out where that comes around, of whether we are talking now with recycling and refilling as two different things. Also, the legislation dealing with returning or recycling and deposit also affects cans. Beverage containers include cans too.

ASSEMBLYMAN CHINNICI: Well, it is my understanding that the recycling law that we now have in effect, which passed several years ago, during yours and during my time, has caused more employment in some areas because of the amount of recycling matter that has been coming in. I truly ask you -- we are dealing with A-78, in my particular case, and I think that is the one that is going to affect us most of all. I hope that before you make a final decision on this bill, that you consult with Senator Hurley, Assemblyman Muziana, and myself. Thank you so much, sir.

ASSEMBLYMAN HOLLENBECK: Thank you very much. Next we will have Assemblyman Guy Muziani from District 1. We have been joined by Assemblywoman Maureen Ogden, a member of this Committee.

ASSEMBLYMAN GUY F. MUZIANI: Good morning, Mr. Chairman and members of the Energy and Environmental Committee. I would also like to express my appreciation on behalf of the constituency that we represent for your selecting this site for this hearing today.

I wish to go on record, of course, to support my colleagues, Senator James R. Hurley, and Assemblyman Joseph W. Chinnici, in their opposition to the bottle bill legislation that is being considered. If these bills were to become law, it would do immediate immeasurable, and irreparable harm to the leading industry in our district, which employs approximately 25% of the total labor force in Cumberland County. The impact of such legislation upon the economy and unemployment situation in our district could be very disastrous.

Furthermore, I seriously question the constitutionality of such proposals. The authority for laws of this nature is found in the police power and therefore must be based upon a reasonable and logical application of that power.

These bills are clearly and obviously an anti-pollution measure; and, while their purposes are commendable, the content of the containers, in my opinion, bears no reasonable relationship whatsoever to the litter power of the container in which it is packaged.

Therefore, limiting these bills to beverages is highly discriminatory and an unreasonable, arbitrary, and unconstitutional exercise of that police power.

To overcome that constitutional barrier, these bills would have to apply equally to each and every product packaged and sold in non-returnable containers, including but not limited to foodstuffs such as soups, pickles, catsup, fruits, candy, cosmetics, medicines, detergents, and cleaning supplies, as well as the thousands and thousands of other products packaged in non-returnable containers.

To broaden the scope of these bills to encompass all of these items would be absurd and would throw the entire State and our industrial complex into a state of turmoil and chaos. Considering the fact that non-returnable beverage bottles represent less than 3% of roadside litter, passage of the bills in their present form would legislate them out of existence and leave 97% of the problem unsolved.

The efforts, of course -- Everyone will be expressing their problems and their considerations concerning the loss of jobs. I think I should make reference to this particular problem more specifically.

Proponents -- and I have read a number of periodicals concerning this particular issue of forced bottle legislation -- say that forced deposits will create jobs. That may or may not be true, depending on the area of the country. But think about the kinds of jobs that will be lost with a mandatory forced deposit. There are tens of thousands of glass workers, for example, gainfully employed in about 30 of the states. These are highly skilled workers, often heads-of-households. If these people lost their jobs, entire families would be affected -- in fact, many local economies would be virtually devastated. Because of Oregon's deposit law, for example, about 450 such people were put out of work. On the other hand, even if a bottle bill created jobs, what would they be? Low-paying, part-time jobs, usually bottle and can sorters. A lot of these jobs may more often than not be filled by students picking up some part-time money. And that's fine, but not at the expense of veteran workers who are trying to feed and educate their families. Deposit proponents argue that a national deposit law would create additional jobs. If that were really true, why is the American labor movement so adamantly opposed to bottle bills? If there really were jobs to be gained, wouldn't the AFL-CIO come out in favor of forced deposits? My understanding is that the AFL-CIO is on record opposing the bottle bills.

In conclusion, I would suggest that the answer lies:

1. In educating the public and adopting and enforcing realistic and practical laws against littering. The problem, in my opinion, is basically a "people problem," not a "litter problem."
2. Improving techniques of solid waste collection and disposal.
3. Recognizing the potential and availing ourselves of the techniques of the recycling process, with the State becoming more involved in assisting and funding recycling projects.

Each of us began our conscious lives by being exposed to the basic "three R's." I think mankind has reached the stage in the history of the world where the "three R's" should be increased to six, by the addition of reclamation, recycling, and reuse. Perhaps therein lies the hope of our survival. Thank you very kindly.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Assemblyman.

ASSEMBLYMAN MUZIANI: Thank you for the opportunity.

ASSEMBLYMAN HOLLENBECK: Next we will hear from Assemblyman Thomas Cowan from District 32. He has come a long distance to be here. He comes from Jersey City.

A S S E M B L Y M A N T H O M A S F. C O W A N: Good morning, Mr. Chairman, members of the Committee, and staff. As the Congressman said, it is God's Country here. This isn't my first visit. I happened to have had the pleasure a number of years ago of visiting the Wheaton plants on a full-day tour with the present Senator of our State, Mr. Bradley, when he was campaigning. I certainly enjoyed my stay down here for the day.

I came this distance because of the area I reside in, Hudson County. We have felt the affect of plant closings in the glass industry. I am here today to urge you to reject forced deposit legislation, which would devastate New Jersey's Recycling Act, and to reaffirm your support of the New Jersey Recycling Act, which we unanimously passed last year. I relay my thoughts to you with some factual experience of the competitive market that New Jersey's glass and plastic industries exist in today.

The recent loss of approximately 900 jobs in Hudson County's glass and plastic container industry, 500 jobs lost with the closing of the Owens/Illinois plant in North Bergen, and, over 350 jobs lost with the closing of the Ball Glass, formerly Metro Glass, in Jersey City.

I think it is important that we focus our thoughts today on the employment needs of our constituents and how these needs would be affected by forced deposit regulation. The number of jobs I speak of is not small. More than 9,000 New Jersey residents depend on the can and glass container manufacturing industry for their incomes. That is 9,000 plus jobs, a great many of them high-paying, head-of-household jobs. In these difficult times, the can and glass container manufacturing industry is a strong and long-term source of employment for our constituents. These men and women earn more than \$205,000,000 a year, most of which is subject to State and Federal taxes.

The adverse effects of a forced deposit measure would be great. For example, more than 800 skilled jobs in the glass industry were eliminated in Michigan and surrounding states as a result of Michigan's deposit law. Michigan had one glass plant; New Jersey has 8. Five hundred and fifty-five workers in neighboring Connecticut were thrown out of work as a result of that state's deposit regulation. Can we afford to subject the people of New Jersey to such hardship because of a law which only addresses 5% or 6% of our total solid waste problem?

A forced deposit measure is also inflationary. These laws always lead to higher beer and soft drink prices. Under a New Jersey deposit law, a six-pack of beer or soft drink would increase \$.25 to \$.30. That is not including the minimum \$.30 deposit. This increase is a direct result of the higher family cost supermarkets and distributors incur, and in turn, pass on to consumers.

The deposit law is a no-win situation. What kind of a law puts a person out of a job and then asks that same individual to pay more for a product he used to help make?

Our legislation and the glass container industry have both made a commitment to recycling, the Legislature, by passing the New Jersey Recycling Act, and the glass industry, by supporting projects such as the North Bergen Glass Reclamation Center. Glass container recycling has increased more than 600% this year, in North Bergen alone. The Reclamation Center is recycling at an average of 3.4 million pounds of used glass containers every month. As I mentioned, the glass companies buy back the empty containers, thereby providing an additional source of income for thousands of New Jersey's residents.

Statistics will be continuously heaped upon you during your deliberations by proponents and opponents of various solutions to New Jersey's ever-increasing litter problem. Specs that represent less than 6% of our litter mess cannot blind reality. The 1981 report of the Michigan Department of Transportation, concerning the continuing problem of increased litter three years after the enactment of a forced deposit legislation act--

New Jersey has enjoyed the benefits of being one of the leading producers of glass containers in the United States. The industry provides jobs and more than \$6 million annually in tax revenue to our State. New Jersey deserves better than an ineffective piecemeal solution.

This year, the Council of State Governments selected Ohio's Litter Control and Recycling Act as a comprehensive alternative to forced deposit legislation. I have had a bill drafted that is modeled after Ohio's statute, which I will introduce at our first session next month. I am hopeful that your Committee will give it consideration.

The glass industry has made a commitment to New Jersey, and we have made a commitment to recycling. We should not destroy these commitments by adopting a restrictive, inflationary forced deposit law. Instead, we should work together towards the commitments we have made to achieve a cleaner and economically sound New Jersey. Thank you.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Assemblyman. Do any members of the Committee have any questions? (no response) Thank you very much. Is Assemblyman John Hendrickson? (no response) I didn't see him. Next we will hear from Freeholder Edward Solomon. I hope you're not going to read the whole statement. That is not the depth of the thing you are going to read to us, is it?

EDWARD S O L O M O N: No. Assemblyman Hollenbeck and members of your Environmental Committee: I am going to be brief, because I know you have a lot of speakers. First, on behalf of the entire Board of Chosen Freeholders of Cumberland County, I welcome you to Cumberland County. Our Board wants to commend Senator Hurley for bringing the hearings here and for your willingness to come here. We feel very proud of our glass industry. This is historically the number one industry in our area. We have a lot of people whose lives depend on their vocation in the glass industry.

My first comment, on behalf of the Board of Freeholders -- I would like to tell you that all seven of them would be here, but they felt because of the immense number of speakers, one freeholder should represent all seven. They asked if I would do that on behalf of the Board.

I would like to tell you that this is not an environmental issue, this is not a conservation or conservative liberal issue, this is not even a republican or democrat issue; this is really a fight for survival for Cumberland County. I think you know what our situation is economically, and I think you know what our job situation is in this county. The glass industry makes up a large part of those jobs. Because of this fight for survival and because it is important for this forced bottle deposit legislation bill to be defeated, the Board of Freeholders had a petition made up and circulated throughout the different business areas of Cumberland County. At the end of my comments, I would like to present to your Committee over 5,000 signatures--within a three-week period--of the citizens of Cumberland County who oppose the forced bottle deposit bills, and would ask your consideration in helping to maintain jobs in our area.

Also, I would like to present to you a resolution from the Board of Freeholders unanimously opposing the bills that you are considering.

I think we all would agree that litter is a major problem in our Country and in our State. Any of us who travel throughout different municipalities and throughout rural areas will see all types of litter on the sides of our roads. I think it is a problem that your Committee is going to have to look at and try to come up with viable solutions. I feel one of them has to be a strong enforcement of litter laws. I can't remember the last time I read or saw in the news media about someone being fined for throwing litter. I think as a State we are going to have to move in that direction. Second of all, I think it is time we give consideration of return to the WPA type program, or CCC program, where people will actually say, "Take some pride in New Jersey. Go out and clean up the highways in the towns and the communities, and start making New Jersey a great place to live and become litter-free." I do appreciate, on behalf of the Board of Freeholders, the opportunity to present these petitions, and also the opportunity to say a few words.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Freeholder. Are there any questions? (no response) We will now hear from Chester Goodwin, the Mayor of Millville. Good morning, Mayor.

MAYOR CHESTER GOODWIN: Good morning. On behalf of myself and the entire City Commission, we would like to welcome you to the City of Millville. We would also like to recognize the fact that Senator Hurley has asked you to consider our City as the host for your hearing, and we certainly appreciate that.

Mr. Chairman and members of the Assembly Energy and Natural Resource Committee, my name is Chester M. Goodwin, III, and I am the Mayor of the City of Millville. I speak to you today not only as a public official, but as a State taxpayer and a concerned citizen of our community. I, along with my colleagues who serve on the Board of Commissioners of the City of Millville, strongly oppose the glass beverage deposit and refund legislation presently before the General Assembly. It is quite evident from the attendance here today that we in Millville have serious reservations about the proposed bottle bills.

The continued strength of the glass bottle manufacturing industry is vital to the economic stability of our City and county. If the proposed bottle bills were to become law, thousands of workers would suddenly find themselves idling in unemployment lines. As you no doubt know, Cumberland County has the 5th highest unemployment rate in the nation, and any increase in the number of unemployed would only add to the already existing human despair. At a time when

great emphasis has been placed on the restoration of economic stability, it would seem ironic to throw thousands of eager and hard-working Americans onto the streets. Let there be no misunderstanding. I support the concept of a clean and a safe environment. However, I do not believe implementation of the bottle bill legislation will effectively control the litter problem, or significantly reduce solid waste disposal in New Jersey. This package of bottle bills will have little positive impact on the environment and will devastate South Jersey's sensitive glass industry. Thank you. If you have any questions, I will try to answer them.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Mayor. Assemblyman McEnroe has a question.

ASSEMBLYMAN McENROE: Mayor, does the City of Millville have an active recycling program at the present time?

MAYOR GOODWIN: At the present time we do not have an active recycling program; however, the City Commission has directed the Director of Economic Development within the City to begin such a plan. It is now under study.

ASSEMBLYMAN McENROE: Thank you.

ASSEMBLYMAN HOLLENBECK: Thank you, Mayor. We will now hear from Mayor Fiorilli from Vineland.

MAYOR PATRICK FIORILLI: Mr. Chairman and members of the Committee, I, too, would like to welcome you to Cumberland County. Unfortunately, I am welcoming you to the highest unemployment area in the State of New Jersey. That is why we are so concerned.

Another unfortunate situation is, we are really not discussing one particular bill today, we are discussing several. One is the bill for reusable bottles, and the others refer to recycling. It is unfortunate because they overlap. Mr. Chairman, I understand your question as to what will the cullet effect have on the employment in the area. I think the fact that we are discussing several bills makes that a little difficult to define. But, let me present some things to you in the course of my testimony that have not been considered.

First of all, obviously, if the bottles are reusable, it is going to affect our glass industry tremendously. Figures released yesterday by the Labor Department show the unemployment rate for June in Cumberland County at 16.2%. Let's take the supposition that the worst bill has passed, the A-78 bill, the reusable bottle. Without a doubt, that would put a major portion of our bottle industry in this county and in South Jersey out of business. I am referring only to Cumberland County, even though there are bottle industries outside of it.

Let's say, for example, that the disastrous effects were 25% of the people in the glass bottle industry were put out of work because of reusable bottles. The percentage point figure to change our unemployment rate by 1% is roughly 96 people. If you were to put 900 people out of work, or 9,600, you would increase our unemployment rate by 10%, which would bring us up to 26%. If the effects were to put an additional 10% out, we would be in a depression by Federal figures. We consider ourselves in such a situation now, economically. So, we definitely oppose passage of that bill.

The recycling bills have some effect in many ways. For example, as Mr. Hughes mentioned, the transportation of glass-- Glass is a very weighty item. Recycling is fine, except, those in the glass industry can tell you that

there are many different types of glass. Some are not compatible to others. Some cannot be mixed and used, except for some minor uses. They create a problem. That is something in the recycling business that no one seems to take into consideration. If you are manufacturing, for example, a lead glass, you don't mix it with a lime glass, and things of that sort. But, more expert testimony on that will be coming forth. There are problems.

The problem of transportation due to weight -- I will give you a comparison of the half gallon soda bottle, the throw-away plastic which weighs about an ounce and a half. A comparable bottle in glass would weigh close to 16 ounces. Transporting 16 ounces of glass from the retail store through the cycle and back to the glass industry could, in effect, make the use of a glass container -- even recycled -- so prohibitive that the industry would switch entirely to plastic. That, too, would be a disaster to our glass industry. It is a problem of economics, of transportation, and of energy costs in processing and transportation, and it must be considered. While I realize that neither you nor I are experts on this factor, I am sure there will be people coming forth who are.

Let's get down to the basic idea. The small store which must take the deposit on these bottles and return it, bottles and cans, when they are returned. What sort of problems do we create to the retail grocer, and what sort of increase to the consumers are we projecting? That covers several points. Let's say that we have a small grocery store, a Mom and Pop store if you will, that employs five people, who in the course of a particular day -- I will take Friday for example, or a Saturday -- will sell several hundred containers of soda in cans and in bottles and will collect the deposit. Let's take another supposition -- a well-meaning group who is out to recycle bottles under the deposit bills. Let's say for example the Boy Scouts go along the highway and collect several thousands of bottles and bring them to the store, the store which at this point has collected maybe \$60.00 in deposits, but must in fact, by law, accept these bottles and pay out what may amount to \$1,000 in deposits. This is money they don't even have on hand. There is no provision in the legislation and no way it could be controlled to say that the store would only take in return those bottles or cans which he or she had sold. There isn't any way you can write that into the legislation. But, you could in fact take the entire operating cash of that store off the market for one day, creating a hardship. It may be payroll day, when the help has to be paid. Yet by the return of an over abundant number of containers, they wouldn't have the money to meet their payroll, which of course would then bring the Department of Labor into their business.

Another major problem: Your Committee is a committee on environment and certainly concerned with this. The return of bottles and cans to the grocery stores -- soft drinks in particular -- is not a very appealing thing. I was once in the retail business. I can give you accurate testimony on that. Let's say that an owner must keep 20 or 30 cases of bottles behind his store that he has taken. You are talking about bottles containing a certain amount of syrup - sugar - the best attraction in the world to roaches and other bugs. I am sure the State Health Department would not appreciate that, in that you are making an attraction to create a problem. The obvious answer to that is the store must hire an exterminator or have the exterminator come in more often, which means we are using more sprays in the environment than we currently need, which means

that the strict environmentalist would say, "Your bill is creating a problem that we hadn't thought about." This, of course, would be after the bills were passed. You would also be bringing into the area of a food store considerably more toxic material in the form of sprays to control the bugs that the bottles and the cans would attract than we do now. You would, in effect, be creating a health problem.

We have another situation that our old friend Sid Glazer from the Division of Taxation would become involved in. How does a small grocery store account for the money they pay out on deposits and take in. Let's say, for example, in a given month, we will assume they filed a monthly report. They have taken in \$600.00 in deposits and they have only payed out \$400.00 in deposits. Will the Division of Taxation look at \$200.00 as income which would be covered under sales tax or use tax? Would the Internal Revenue people consider it as an additional income to the store? Even though the following month that same store may take in \$400.00 and pay out \$700.00, there is no balancing credit under the laws of the State of New Jersey and the Division of Taxation. Plus the fact, it would put this small store keeper through a great deal of auditing and a great deal of inconvenience, and a great deal of expense. There are no provisions in any of the bills for that sort of thing. Obviously, that doesn't come under your Committee, but, these would be a problem. I am sure before the Division of Taxation resolved the problem -- which probably would take two or three years and several court cases -- a great many people would be penalized. The corner grocery store would, in effect, be taking in bottles and paying out a deposit which was collected by the supermarket two miles away. Yet, you would be taking money away from the earnings of that store to pay these deposits. It would create an extreme hardship.

The people in the glass industry would undoubtedly be the most hardly hit. However, people in the grocery business and the retail sales business proportionately would have a disastrous effect on what could happen.

The purpose of each of these bills is to clean up our roadsides to prevent litter, to make the State cleaner. That is a noble thought. There may, in fact, be a better way to do that. Unfortunately, your Committee was not sent copies.

I would like to read to you a letter which was sent out from the New Jersey Conference of Mayors. I chair their Legislation Action Committee. It was sent to the Speaker of the General Assembly, the President of the Senate, and the New Jersey Committee on Law and Public Safety in the Senate and the Assembly. It presents a different way of dealing with this thing. We would ask that the State pass enabling legislation which would allow municipalities to amend their current litter ordinances. Litter ordinances today are practically useless. When a person gets into court, they are rarely fined anything; if they are, it is \$15.00 or \$20.00. By today's standards in court, even a \$50.00 fine doesn't mean a thing. It doesn't stop people from littering.

Let me read to you what we propose and what I ask you to consider. By adoption of an ordinance under the provisions of this statute, a municipality may include the following penalties and conditions in its litter and/or graffiti ordinance: Any person convicted of distributing litter or causing the distribution of litter, or causing graffiti on public and private property shall be subject to a jail sentence of not less than 40 days. This penalty shall be served in the local or county jail on Saturday and Sunday at the rate of not less than

two days in each week. The penalty shall be served in a time period not to deprive the family of income earned by the convicted person, and to provide that a student need not be deprived of any school or classroom time. The 40-day jail penalty may by agreement with the court and the convicted person be converted to a probation program where the convicted person shall work 40 hours at no compensation, cleaning litter and/or graffiti from public streets, buildings, parks, playgrounds, and on private property where the court finds the need for that service. The 40-hour penalty shall be performed at the rate of not less than 8 hours per week, and not to exceed a time period of 5 weeks. Upon conversion of the sentence and the court ordered work in city streets or city property, the Chief Administrative Officer of the municipality, or his designee, shall select the areas in which the convicted person shall work, where the court orders some or all of the work.

ASSEMBLYMAN HOLLENBECK: (Interrupting) Mayor?

MAYOR FIORILLI: I'm sorry.

ASSEMBLYMAN HOLLENBECK: Are we going to read the whole projected ordinance?

MAYOR FIORILLI: No. It is just one more paragraph, sir.

ASSEMBLYMAN HOLLENBECK: We do have 50 other people, and you are imposing on that time.

MAYOR FIORILLI: I understand that. I think this may be a solution to all of our problems. There is only one paragraph left.

ASSEMBLYMAN HOLLENBECK: We all have to remember that there are 50 other people behind you.

MAYOR FIORILLI: Well, then I won't read the rest.

ASSEMBLYMAN HOLLENBECK: (continuing) -- that would like to testify, and you are imposing on their time.

MAYOR FIORILLI: The bill will be presented in the General Assembly at the next session and you will be able to consider it then. I think what we are doing with some of these bills is, we are penalizing the industrious glass worker for the fool who throws the bottles and the cans along the street. I don't think that is a fair solution. Thank you.

ASSEMBLYMAN HOLLENBECK: Thank you, Mayor. Are there any questions?

ASSEMBLYMAN McENROE: I would like to ask, Mayor, the same question I asked the Mayor of Millville. Is Vineland addressing recycling with a concerted effort?

MAYOR FIORILLI: The entire county is, through the county improvement authorities or the county landfill authorities. It is mandated by State law. The county committee on that is looking into that. I think you would find that 20 of the 21 counties have submitted a proposal.

ASSEMBLYMAN McENROE: Again, the question is particularly your own city. Do you have an active program?

MAYOR FIORILLI: No, not to that great extent. I believe the Jaycee's have conducted a glass recycling program with a depository station. That has been going on for about 5 years. It is not a city-wide program.

ASSEMBLYMAN HOLLENBECK: How much money did you pay in tipping taxes this year because of the Recycling Act?

MAYOR FIORILLI: Pardon me?

ASSEMBLYMAN HOLLENBECK: How much did it cost your city because of

tipping tax, to support the Recycling Act?

MAYOR FIORILLI: I don't recall what the exact figure is, sir, but it made a difference of roughly \$.45 per cubic yard in the closeout cost of the city landfill.

ASSEMBLYMAN HOLLENBECK: And the method you would have for cutting that back for your City would be by having a recycling program, wouldn't it?

MAYOR FIORILLI: I have suggested to one person who was interested in opening a recycling plant next to our landfill-- As a matter of fact, several officials in my last administration flew down to Alabama to look at one, sir.

ASSEMBLYMAN HOLLENBECK: We are talking about a sore separation as against the landfill site. By not having a recycling act, you are costing a municipality money, aren't you?

MAYOR FIORILLI: To that extent, we are. As a matter of fact, I have been looking into a plan referred to before as the Woodbury Plan.

ASSEMBLYMAN HOLLENBECK: I would think the Mayors should look at it, because it is costing the towns a lot of money.

MAYOR FIORILLI: I have been looking at it, sir. I have been investigating the Woodbury Plan, which is supposedly the most practical plan there is.

ASSEMBLYMAN HOLLENBECK: Assemblywoman Ogden?

ASSEMBLYWOMAN OGDEN: Mayor, I understand from your testimony that you do have an ordinance on the books providing for fines for those who litter. Do you have any idea of how many have actually received summonses since you have been the Mayor?

MAYOR FIORILLI: Yes. In 6 years, there were 61 people. The total amount of fines collected from those 61 people was \$710.00.

ASSEMBLYWOMAN OGDEN: Thank you.

ASSEMBLYMAN HOLLENBECK: Thank you, Mayor. Next, we have Assemblyman Christopher Jackman, who also took a 2½ hour ride to get down here. Assemblyman Jackman. Good morning.

A S S E M B L Y M A N C H R I S T O P H E R J A C K M A N: Good morning. My colleagues, I came down on a long ride today just to convey my thinking to you. I will be just as brief as possible. Knowing that we have worked together on a couple of occasions-- In fact, when I was Speaker, I think we enacted the Recycling Act. That took effect as of January of this year. Part of that Act, I think, said we would make a report back to the Legislature, and also to the Governor, in 1984. I'm not going to go into any long dissertation because I think most of you know that I am affiliated with the box industry. I am an international Vice President of the United Paperworkers' Union. I am here selfishly because we manufacture the boxes that you put the bottles in. It creates jobs. What could happen, and what is already happening in New York, Mr. Chairman, is there have been lay-offs in some of my plants and cutbacks in some of the bottling industries because of the enactment of the bottle law-- in Connecticut especially. Just to make a point that I think is very important to your edification, Mr. Hollenbeck, we shut a plant down in Lunarchy, the Owens/Illinois Corrugated plant, which employed 155 people. That effected of course, the rateables in that community, and it put a lot of people out of work.

I don't think anybody here or outside has all of the answers. I have statistical data that I wouldn't dare read because it becomes boring. I know this from speaking to some of my colleagues at the last go-around of the convention that we had up in Rye, New York, and from discussions I had with my colleagues in New York, who enacted in essence two bills. One bill was for recycling and the other was to ban the bottle. They were hoping that the Governor wouldn't sign the "ban the bottle bill," but would sign the "recycling bill." They were fooled, and they signed the bottle bill. They have a recycling bill that doesn't mean anything.

We don't want to put ourselves in that position. I know the fairness of my colleague, because I have worked with him. I know there are a couple of new ones here, but, knowing the background and the hard work that took place-- That recycling bill didn't get its true value.

Up in my home town, or next to my home town, where I have my legislative office, there is a recycling plant -- Owens/Illinois -- I think you are familiar with it, Mr. Chairman. They are recycling thousands of tons of bottles in that area. That is not hundreds, but thousands of tons have already been recycled. The input there is tremendous.

I think what we ought to concentrate on-- I think we all must be in some sort of agreement that we have an educational program that we must get across to our people. You and I know that litter is going to be there whether it be coffee cups, napkins, hankies, or whatever you want, that people throw out the window when people become careless. Litter is litter. To single out the bottling industry, where we have some very serious problems today-- Fortunately, the concentration of the bottling industry is in this State, to a great degree. If you don't keep those jobs there, you are going to put people on the unemployment roles, or the welfare roles, and whether you like or not, we are going to be paying for that.

I think if we educate our people in the recycling program -- which has already started in this State -- Maybe 200, 300, or 400 communities have already activated collecting bottles. When the garbage is put out, there are bottles in one group, cans in another group, paper in another group, and people are picking it up. I think if we do that, we could accomplish something. I think we are morally obligated based upon the legislation that we enacted, that we at least give it an opportunity to work, and then make our report back in 1984. Thank you very much.

ASSEMBLYMAN HOLLENBECK: Thank you, Assemblyman. The Owens/Illinois recycling plant, which takes in the thousands of tons of glass for recycling, what was the effect of that recycled glass on the employment, both in the glass industry and in the paper industry?

ASSEMBLYMAN JACKMAN: I can't hear you.

ASSEMBLYMAN HOLLENBECK: What was the effect of the glass being recycled by Owens/Illinois? What was the effect on employment in the glass industry and in the paper industry?

ASSEMBLYMAN JACKMAN: I think it is accomplishing what we asked it to accomplish. We are recycling that product, and recycling it back into glass containers. That is what we are doing. I think that was the point. I must also tell you, Mr. Chairman, that they closed down that particular plant in North

Bergen because of -- again, it is something that we have to put values on, and it is something that we have to contend with -- the high energy cost. Consequently, we lost the operation up there. But, the recycling operation is in effect, and we are doing a good job.

ASSEMBLYMAN HOLLENBECK: Thank you very much. Is there anyone else? Thank you very much.

ASSEMBLYMAN JACKMAN: Thank you, gentlemen.

ASSEMBLYMAN HOLLENBECK: Our next witness is Robert Donovan, representing SEED, Society for Environmental and Economic Development.

R O B E R T C. D O N O V A N: Mr. Chairman, Assemblywoman Ogden, and Assemblyman McEnroe: I appreciate this opportunity to visit with you today on an issue of great concern to our industry. I am Bob Donovan with Owens/Illinois. I am not representing Owens/Illinois today; I am speaking on behalf of Mr. Arthur Young, the President of SEED, the Society for Environmental and Economic Development.

New Jersey SEED is a coalition of organizations concerned with the promotion of responsible economic growth and development. Our membership is drawn from throughout the business industry labor spectrum, including the New Jersey State AFL-CIO, and the New Jersey State Chamber of Commerce. We appreciate this opportunity to appear before you to express our position on beverage container mandatory deposit proposals being considered by the Assembly Energy and Natural Resources Committee today. We share the Committee's desire to seek a cost-effective solution to the New Jersey litter condition. We also support cost-effective methods of addressing our solid waste problem and to conserve energy and natural resources.

In light of these mutual objectives, we continue to support the New Jersey Recycling Plan and its enabling law -- the New Jersey Recycling Act -- which passed the Legislature last year without a dissenting vote, and was implemented only on January 1st of this year.

We are of the strong opinion that the New Jersey Recycling Plan is a cost-effective method of addressing these conditions. We are convinced its objective of the recycling of materials that normally constitute 25% of municipal solid waste is far more ambitious than a beverage container deposit law. We point to previous testimony by Mary Sheil, Administrator of the New Jersey Office of Recycling, on behalf of the New Jersey Department of Energy and Department of Environmental Protection, as evidence of the fine progress to date and the excellent prognosis relative to the achievement of the objective of the plan.

We can point to the program as a textbook example of the substantial benefits that can be achieved through a cooperative effort of State and local governments, industry, labor, and the environmental community.

The fact that more than 400 recycling programs are now operating in at least 297 communities is further evidence of the fine reception this plan has received at the community level. These programs range from waste separation and curbside pickup of paper, glass, and aluminum mandated by community ordinances, to voluntary collections by boy scouts and other civic and fraternal groups.

One objective of the Recycling Plan is the recovery and reuse of 50% more glass than a deposit law could possibly recover. In the short time since the Recycling Plan was developed, we have seen the start-up of eight new glass and multi-material redemption centers. In December of 1981 -- Assemblyman

Jackman discussed this -- Owens/Illinois opened a new \$600,000 glass recycling processing center in North Bergen. During the first four months of its operation, it purchased 600% more recycled glass than the average of the preceeding months.

Mary Sheil referred to numerous examples of additional innovative recycling initiatives throughout the State by a variety of interests. She also compared the cost per ton of a comprehensive recycling program with the cost per ton of beverage containers that would probably be recovered through imposition of a beverage container deposit law. The former operates at between \$30.00 to \$40.00 per ton, while the \$.01 per container handling fee alone included in most proposed deposit measures would represent a per ton cost of \$460.00 for aluminum cans, \$80.00 for glass, and \$200.00 for plastic.

The industry I represent -- again, this is Art Young talking -- as Executive Director of the Solid Waste Industry Council, is actively exploring ways to compete with alternate collection networks, and we have already pledged to assist in any realistic statewide litter abatement effort. For example, we can assist in the distribution of litter bags and use our trucks to help promote litter abatement and cleanup.

Permit me a few moments to explore the cost-effectiveness of a deposit law as it would relate to the recycling plan first and litter reduction second.

Under a deposit system, empty beverage containers must be returned by the consumer to a retailer for refund of the deposit. The containers are then routed back to the soft drink bottler and beer wholesaler.

This process adds significantly to beverage distribution costs at both the wholesale and retail level. The minimum estimate based upon experience in existing deposit states is \$1.00 per case.

Removing beverage containers, especially aluminum and glass, from the waste stream in this manner would, in our opinion, do irreparable damage to existing and potential statewide multi-material recycling programs.

For example -- Mr. Chairman, this might address your question on jobs and recycling -- Montclair, New Jersey, a community of 38,000, operates a very successful curbside pickup program. The program grosses \$137,000 annually and breaks even. However, Montclair waste disposal costs have been reduced by approximately \$20,000 annually. The materials recovered include: newspapers, glass and aluminum, ledger paper, and used motor oil.

If deposit legislation were enacted by the State, Montclair's operators project a 17% reduction in tonnage, and a 26% reduction in income, which is about \$35,000, which would require a 34% reduction in its eight-man workforce, or a municipal budget appropriation to make up the deficit. That is just one town.

The objective of the Recycling Act is the recovery of 25% of municipal solid waste or 1.3 million tons per year, and includes, as previously stated, recovery of up to 50% more glass than a deposit law could possibly achieve. For example, the report, "Recycling in the 80's," estimates a maximum of 659,000 tons of all types of glass containers will be available in the State, used by our residents, by 1985. The New Jersey glass industry recycled approximately 36,000 tons of New Jersey Glass in 1980, and anticipates the recovery of 70,000 to 100,000 tons in 1982 of the total of 145,000 tons it will recycle from all sources. Its goal is to recycle more than 360,000 tons of New Jersey glass alone by 1985. Deposit legislation would recycle possibly 170,000 to 240,000 tons, if 90% of the glass beverage containers were recovered after factoring in the anticipated

attrition of the beverage container market which normally accompanies a deposit law.

The cost per ton to recycle glass beverage containers through a deposit system based upon \$1.00 per case anticipated cost increase would far exceed the \$30.00 to \$40.00 per ton experienced through a comprehensive recycling program.

Aluminum recycling would be effected in a similar manner.

Deposit legislation cannot be considered a cost-effective way to recycle -- in our opinion -- and to impose it would jeopardize the statewide recycling plan.

The last consideration is the question of the cost-effectiveness of deposit legislation in reducing litter. This begs a second question -- does litter really rank amongst the many critical and important problems the State must address this year?

We think not, and we strongly urge the members of the Committee to consider the cost implications of deposit legislation in light of its achievable impact on litter.

If deposit legislation does in fact cause a minimum increase of about \$1.00 per case in soft drink and beer prices, our citizens would be asked to absorb a minimum hidden tax of \$131 million annually to achieve a 60% to 90% reduction in beverage container litter which probably represents 20% of our litter condition, or, a 12% to 18% reduction in total litter.

By contrast, Keep America Beautiful can document the cost of its Clean Community System, the litter abatement program, as ranging from \$.04 to \$.14 per capita through 200 or 300 operations throughout the country. The average recorded reduction in total litter has been 30% after the first year of the program and 70% the fifth year. Those CCS per capita costs applied to New Jersey would range from a total of either \$300,000 up to \$1,000,000 per year, no where near the \$131,000,000 hidden tax under a deposit law.

In light of the Legislature's recent rejection of the \$.05 per gallon gasoline tax that would have produced, I believe, \$140,000,000 or \$145,000,000, the 1% increase in our sales tax, which would have produced between \$225,000,000 and \$250,000,000 in new revenues to help solve our serious state budgetary problem, can we really expect our citizens to accept a \$131,000,000 hidden tax to achieve a 12% to 18% reduction in litter?

Let's dwell on that hypothesis for a moment. New Jersey includes within its boundaries a total of less than 8,000 square miles. If the Legislature were to appropriate \$131,000,000 to address beverage container litter instead of enacting a hidden consumer tax in the form of a deposit law, it would represent an expenditure equal to \$16,718 per square mile. That is more than double the estimated amount Monmouth County budgets to pick up all litter in each square mile of its 17 county parks and more than 12 times the amount budgeted by the State for labor and removal of all litter in the 440 square miles of our 35 state parks and 11 forests - probably the most littered areas in the State. That close to \$17,000 is enough money to employ two persons at minimum wage, five days a week, year round, to patrol every square mile in the State, including all public and private lands and waters in search of nothing but beverage containers.

Using the same rationale, would the Legislature even consider the enactment of a sales tax increase of approximately 2½% to create a \$650,000,000

fund to address the total litter condition in the same manner as deposit legislation? We don't think so.

Of course, this proposal sounds preposterous. But, is it really? We have attached to our statement what we think to be a relevant article titled, "A Bottle Bill's Even Bigger Cost," written by Martin and Kathleen Feldstein. It appeared in the Boston Globe on September 15th of last year.

Martin Feldstein is Professor of Economics at Harvard University, and President of the prestigious National Bureau of Economic Research in Cambridge, Massachusetts. He was nominated Chairman of the Conference of Economic Advisors to President Reagan on August 6th of this year.

Mr. Feldstein based his calculations upon data given him by the Massachusetts Public Interest Research Group -- proponents of the Massachusetts beverage container law.

Mr. Feldstein calculated the Massachusetts bottle bill would raise the cost of beverages to consumers between \$80 and \$100 million annually. He likened it to a hidden tax. I quote from Mr. Feldstein's comments.

Mr. Chairman, I will stop after these comments. The other material deals with job losses. You have heard much about that already. We can substantiate much of that material. But, I would like to close with Mr. Feldstein's comments under what he calls, Hidden Tax:

"It seems very unlikely that the Legislature would enact a bill that adds nearly \$100 million to Massachusetts taxes and spending in order to achieve whatever reduction in litter would follow from passing the bottle bill. It is obviously much easier though to impose a hidden tax that raises producers' costs and consumers' prices but doesn't have to go through the budget process." Here is the telling line: "Indeed, as the debate over the bottle bill has shown, imposing this kind of hidden tax doesn't even require its proponents to calculate what the cost would be."

Mr. Chairman, it is the position of SEED that we feel deposit legislation can in no way be considered cost-effective in either reducing litter or solving our solid waste problem. We urge the Committee to reject all bills.

ASSEMBLYMAN HOLLENBECK: Mr. Donovan, the Recycling Act, which has brought a great deal of glass back into the industry, through your corporation, Owens/Illinois-- How many jobs have been lost because of the Recycling Act returning glass?

MR. DONOVAN: None, whatsoever, that we know of.

ASSEMBLYMAN HOLLENBECK: Mr. Donovan, the answer is none-- Why, if glass is also returned for recycling -- that didn't get caught within the Act -- why would that lose jobs?

MR. DONOVAN: I'm sorry, I don't understand.

ASSEMBLYMAN HOLLENBECK: Why has the glass in one way not cost jobs, and why is it when you take it from another source, the same glass, cost jobs?

MR. DONOVAN: I see. We anticipate two developments if a deposit law were passed. In the first place, there is an immediate attrition in the beverage market of 10%. This is what occurred-- This is what did occur in Michigan. In other words, the consumers purchase 10% less beer and soft drink. In many cases, the beer containers-- Let me put it this way: Much of the beer -- I will let the U.S. Brewers Association people address this. Their expertise

is greater than mine. However, there was a switch from beer containers to draft beer in many cases. This resulted in a decrease in the containers sold to the industry. We also anticipate that not much, but about 30% of the soft drink and beer would go to refillable glass containers. As soon as it goes through refillable glass containers, based on our projections, we are talking about roughly a 34% reduction in the use of beverage containers in New Jersey. That is glass, cans, and plastic.

ASSEMBLYMAN HOLLENBECK: Is that refillable?

MR. DONOVAN: No. That is due to refillable. In other words, for each refillable container used, if it makes ten refills--

ASSEMBLYMAN HOLLENBECK: Let's not talk about refillables. We are talking about recyclables, not refillables. The question was dealing with recyclable glass, coming back in the form of cullet.

MR. DONOVAN: I'm afraid I don't quite understand the question.

ASSEMBLYMAN HOLLENBECK: One of the bills we are talking about actually bans refillables. We are talking about all recyclables.

MR. DONOVAN: We view that bill with some suspicion on this basis. It is exactly what happened to us in Vermont. The first bill was innocuous enough. Two years later, that bill was amended to require that glass containers be capable of five refills. We have seen amendments to all of the bills in the states, a year or two following the legislation, to try to "perfect" the bill. In each case, it has been damaging to the container industry. It has not helped the container industry. We view this as a foot in the door and a ploy on the part of the proponents.

ASSEMBLYMAN HOLLENBECK: How much glass is picked up, or litter, because of the Recycling Act?

MR. DONOVAN: I'm sorry, I didn't hear you.

ASSEMBLYMAN HOLLENBECK: How much litter is picked up from the parks, along the roadways, public lands, and people's property because of the Recycling Act?

MR. DONOVAN: How much litter is picked up?

ASSEMBLYMAN HOLLENBECK: Yes.

MR. DONOVAN: I wouldn't have the-- I can give you one example--

ASSEMBLYMAN HOLLENBECK: What mode within the Recycling Act picks up litter? What article of the Recycling Act picks up litter in the parks, along the roads, and public lands?

MR. DONOVAN: The Recycling Act has as one of its provisions a promotion of both the Recycling program and the Litter Abatement program. It is, I believe, in the process of developing a proposal, or at least the New Jersey Recycling Forum is in that process.

I might point out -- this might address your question -- that Woodbury, New Jersey has a very effective multi-material curbside pickup program. Councilman Sanderson is quoted by Gordon Bishop in an article last year as saying that one of the benefits accrued from that program is -- these are his words -- "A 98% reduction in the containers and papers nonchalantly tossed around the highways and so forth." That may be an added effect. I can't say that is going to be a definite effect. You might ask some of the people who follow me who are involved in recycling. We do feel that something has to be done to correct

the litter situation. Again, we are all in favor of a cost-effective way of doing it.

ASSEMBLYMAN HOLLENBECK: One of the problems we have--and the reason why we are going to question you is because you are a person that is fairly knowledgeable in this whole area, dealing with legislation similar to this. You testify frequently all over the country. We are talking about the Recycling Act. We are talking continually on it.

I'm a great supporter of the Recycling Act. We talk about giving it a chance to work. I don't find any portion of the Recycling Act itself that generally addresses itself to litter. See, that is where the problem is. We know we have something for a program of public relations, but, I don't know of anything where it literally picks up or gets something off of the streets from the Recycling Act.

MR. DONOVAN: That may have to be addressed.

ASSEMBLYMAN HOLLENBECK: When we start talking about bottle bills -- let's forget about the words "refillable bottles" -- we find that bottles are coming back in the form of cullet just like they do from the Recycling Act. That is going to cost jobs. I can't understand why the Recycling Act cullet doesn't cost jobs, but the ones coming back from deposit do cost jobs. That is what we have and the basic question we started with. We can't get an answer for that one question. Why does one cost jobs and the other doesn't? One is going to bring in much less glass than the other. The Recycling Act will always bring in a lot of glass, while the other one will bring in a smaller quantity of glass in the form of cullet, but also, will take care of the problem of at least bottle litter on the street. Mind you, when we get talking here, there are more than bottles, we are talking about beverage containers. So, we are also talking about the aluminum beer cans, soda bottles, and even plastics are involved.

MR. DONOVAN: Let me try to respond to that in this way. The Recycling Act stimulates recycling throughout the State through a variety of methods, anywhere from curbside pickup programs that are mandated by the town or city, to just about any type of program that is going on. Its objective, again, is the recycling of 50% more glass than the bottle bill could produce. What the bottle bill does is, it recycles glass but it recycles it back to the grocer -- the food merchants and the supermarket -- ill-prepared to take that material back. In a sense we are passing a law similar to mandating that a Volkswagen drive up a one-way street the wrong way, and of course, it impairs the flow of traffic. The same thing is true by forcing containers back through a very efficient one-way distribution system. So, you are forcing beverage containers back to the retailer, back to the wholesaler, or the bottler, where many of them would probably be recycled. But, the cost of that recycling is so excessive in comparison to the other way. The Recycling Act is designed to stimulate recycling of not only beverage containers, but the pickle jars, and the mayonnaise jars, and everything else that goes in glass, all types of aluminum, all types of paper, and so forth. That is much more comprehensive. The cost per ton -- according to Mary Sheil's testimony -- runs \$30.00 to \$40.00 a ton. So, there is a chance to make money that way. The cost per ton of recovering containers through a beverage deposit law is far above that. I hesitate to even tell you, because I don't even think you would believe me. I want to go back and verify those figures myself.

ASSEMBLYMAN HOLLENBECK: Thank you. Are there any questions?

ASSEMBLYMAN McENROE: Yes, Mr. Chairman. I just have a comment, Mr. Donovan, that I don't really agree with your recital of that Montclair experience.

MR. DONOVAN: I'm sorry, I can't hear you.

ASSEMBLYMAN McENROE: I don't agree with the facts as you see them regarding the experience of the City or town of Montclair in Essex County. I see any of these efforts of the Recycling Act are to reduce waste and recycle energy, if you will, rather than to save jobs. I recognize that as an important part of this discussion, but I think in your comments it is totally out of place. You are over-dramatizing a small local experience.

MR. DONOVAN: Yes, I did. I agree.

ASSEMBLYMAN McENROE: You are trying to draw a major conclusion from it. I would also like to have a copy of your testimony for the members of the Committee, rather than wait for the transcript.

MR. DONOVAN: I have given copies to the clerk.

ASSEMBLYMAN McENROE: Thank you very much.

MR. DONOVAN: I didn't cover more thoroughly -- although it is in the statement -- the cost benefit aspect of the Clean Community System, which we feel is a far more effective way to address the litter problem than deposit legislation. I hope you will look that over carefully.

ASSEMBLYWOMAN OGDEN: Mr. Donovan, I would just like to ask one question along the line of Chairman Hollenbeck's questioning. Are you, in essence, saying that jobs would be lost if we had a deposit bill, but the containers were not refillable? That there would be a job loss in the glass industry because the price would be higher and therefore the consumers would buy less? Is this essentially what you are pointing out?

MR. DONOVAN: Essentially, yes. But, there are two aspects of the higher prices. I believe that this was addressed by Barbara McConnell when she spoke on behalf of the Food Council, that these costs, these distribution costs that are incurred by the beverage industry end up someplace out of the consumer's pocketbook. In other words, someplace at the retail level, they are paying for those costs, as Martin Feldstein indicated in his calculations. Now, that one cost factor, along with the job losses that would occur-- Because even though the deposit law would not mandate a return to refillable glass containers, you do have the combination of the attrition in the marketplace, people switching possibly to other products, or, some of them just stop drinking the products. You do have the attrition. That attrition, any attrition, in the numbers of containers that are used will be reflected in a job loss in the container industry, and the industries that supply the container industry.

ASSEMBLYMAN McENROE: Are there any other questions from the members of the Committee? (no response) Thank you very much, Mr. Donovan.

MR. DONOVAN: Thank you.

ASSEMBLYMAN McENROE: We are now going to call Mr. Henry Blekicki, the Deputy Commissioner of the New Jersey Department of Commerce and Economic Development.

We have a published list of the participants. We will digress from that to recognize the Deputy Commissioner. Mr. Blekicki, how are you?

H E N R Y B L E K I C K I: Thank you. Vice Chairman McEnroe, and members of the Assembly Energy and Natural Resources Committee, my name is Henry Blekicki, and I am the Deputy Commissioner of the New Jersey Department of Commerce and Economic Development.

I appreciate this opportunity to express the Department's views on the issues of beverage container deposit legislation and the control of litter within our State.

A primary function of the Department of Commerce is the attraction of new business and industry to our State, as well as the retention of those businesses already here. We are, therefore, extremely concerned with the negative effect that deposit legislation would have upon the beverage container industry in New Jersey. As the largest producer of beverage containers in the country, New Jersey would suffer the effects of this type of legislation to a much greater extent than elsewhere. Indeed, the recent enactment of New York's bottle law, coupled with the type of legislation that we are discussing today, would result in a severe loss of jobs and revenues to our State. Such a negative economic impact cannot be tolerated, particularly in light of the current economic plight in which we find ourselves.

Southern New Jersey has been especially hard hit in recent years. Governor Kean has demonstrated a true commitment to alleviate the heavy unemployment in counties such as Cumberland. In fact, this is my second visit to Cumberland County this week to deal with the serious economic issues of the county. Our Department is working diligently to maintain, increase and attract new jobs for New Jersey. Before we sacrifice one job or damage a single industry here, though, we must be certain that the benefits to be gained from certain legislation outweigh the damage that will result. The Department of Commerce does not believe that the cost incurred by this legislation is justified to solve a relatively small part of the total litter problem. In fact, the formation of the broad coalition of business, labor, and government that has united in opposition to this legislation provides ample evidence of the strong sentiment against such a move. And why? Because this legislation will hit where it hurts most. The result would be the loss of high-paying, head-of-household, manufacturing jobs with a high multiplier effect on the economy; in favor of low-paying, service-oriented, clerk-type jobs that surely lack this ripple effect.

Moreover, due to the passage of similar legislation in New York State, at least one soft drink company has indicated that it will not locate in that state, and is instead considering locating here in New Jersey. The passage of this type of legislation would undoubtedly jeopardize such a decision, and thus eliminate such possibilities for job creation.

We believe also that the Legislature should allow time for the implementation of the New Jersey Recycling program and wait at least until the Office of Recycling presents its report to the Legislature in October of 1984, before examining the need for deposit legislation. In fact, according to the Glass Packaging Institute, 424 million glass bottles and jars were recycled in New Jersey in 1981. Further, the Trade Association for Glass Bottle Makers says nine New Jersey glass plants recycled 23 percent more containers in 1981 than the year before. In total, 239 million pounds of glass bottles were recycled, thereby reducing litter and solid waste burdens in the State. Indeed, New Jersey's recycling program is already being viewed as a model for other states and even for other countries, as a means of attacking the total litter problem. Why

jeopardize this program before it has a chance to see its full potential?

In summation, Mr. Chairman, we ask: Why would the State even suggest such legislation? New Jersey should be the last state to even have a bottle bill.

We think it appropriate that this hearing was held in Cumberland County today. The Department of Commerce asks only that the Legislature remember the high unemployment here -- in the 16% to 18% range over the last several months -- and the deep dependence upon this industry when decisions on this issue must be made.

Our Department opposes this legislation on the basis of the negative economic impact that would result for New Jersey's industry and workers. It is my understanding that Governor Kean has now also opposed this legislation because it would exacerbate an already serious unemployment problem in South Jersey. Thank you very much.

ASSEMBLYMAN McENROE: Mr. Blekicki, since New York has recently enacted deposit legislation, has the Department of Commerce and Economic Development initiated any effort to review their experience with them? Have you had some meetings? Is there an inter-relationship between New Jersey, since you obviously indicate a great concern with the impact of their bill, with your comparable Department in New York State?

MR. BLEKICKI: We have not-- That bill is still in the process of being implemented. So, there is no track record in New York State as to what its effect will be. All we can rely on is the impact in other states. It is a mixed bag. It is very difficult to determine precisely what the impact on jobs will be and on the effectiveness of the legislation in reducing the litter problem. That is a very difficult problem. We have to look, and we are looking, at the effects of this type of legislation in other states. It is not so much New York State, it is other states that we are looking at and reviewing their experience.

ASSEMBLYMAN McENROE: But it does seem that, since New Jersey is the producer of such a large proportion of the glass bottles used by the beverage industry, and since New York State is a state of such large importance to this industry and of such close proximity to New Jersey, it seems highly unreasonable to me that a plan would be in operation now anticipating this impact on our New Jersey glass industry. I wondered why your Department has not developed that plan.

MR. BLEKICKI: I think what we should be doing, and what we are in the process of undertaking, is an effort to perhaps have New York State reconsider that bill. The reason being is that it will, by all estimates, have a serious impact on New Jersey. I think there is now a sense of concern within New York State that what was passed may not be good for them or for the region. So, we are in the process of reaching out to them to try to show them what the impact would be on us and how it would also negatively affect them. Of course, that is their right and their decision to make, but we certainly can provide them with that input, and we will be doing that.

ASSEMBLYMAN McENROE: I have just one other thing. I don't mean to nitpick, but, on the final page of your statement, the third paragraph from the bottom, you do say on the printed statement that has been distributed to us: "In summation, Mr. Chairman -- I am quoting your comments -- we ask, why

would the State even suggest such legislation?" "New Jersey should be the last state," and it says here, "to even have a bottle bill."

MR. BLEKICKI: I changed that.

ASSEMBLYMAN McENROE: It should be "ever?" Is that correct?

MR. BLEKICKI: No. I changed it to "consider having a bottle bill."

ASSEMBLYMAN McENROE: Consider having a bottle bill. Thank you.

Are there any questions? Assemblywoman Ogden?

ASSEMBLYWOMAN OGDEN: I just have one question. Do any of the other states whose experience you are examining have the section that Assemblyman Paterniti's bill has, which is non-refillable containers?

MR. BLEKICKI: I didn't hear the last part of that question.

ASSEMBLYMAN OGDEN: I am wondering if any of the other states that have enacted legislation have the non-refillable container aspect that we are considering.

MR. BLEKICKI: Offhand, I don't recall that any of the states do, but again, I would be very happy to provide that information to you. If my memory serves me correctly, no. I don't remember, at least having that part of it.

ASSEMBLYMAN McENROE: Thank you. Thank you Assemblywoman Ogden. Thank you very much, Mr. Blekicki.

MR. BLEKICKI: Thank you.

ASSEMBLYMAN McENROE: We will now call on Grace Applegate, Legislative Liaison from the New Jersey Department of Labor. Miss Applegate?

G R A C E A P P L E G A T E: Thank you very much. I'm sorry I do not have copies of my testimony. I am here at the last minute because our Deputy Commissioner is down in Washington.

My name is Grace Applegate, and I am the Legislative Liaison for the Department of Labor. I would like to say before I start that this is my second trip to Cumberland County this week, the Department of Commerce and the Department of Labor were down on Monday. I think this shows the sincere interest that the Administration has on the problems here in South Jersey.

I am here on behalf of Commissioner Roger A. Bodman to express the Department of Labor's concerns about beverage container regulation proposals that would aggravate what is already a serious unemployment problem in New Jersey, and especially in the southern part of the State.

We understand the concerns of environmentalists and conservationists over the problems caused by the extensive use of throwaway bottles and cans. We recognize their support of beverage container regulations as a well-intentioned effort to reduce litter, ease the problem of solid waste disposal, and conserve natural resources.

However, Commissioner Bodman would like this Committee to put these problems in proper perspective, and to consider the fact that any measure which would restrict production of an important industry in New Jersey could leave without jobs thousands of New Jersey workers who are dependent for their livelihood on the beverage container industry. Our statistical staff advises me that there are more than 14,000 workers directly engaged in the manufacture of metal and glass containers in the State. There are additional thousands engaged in the sale and distribution of these containers, and in specialized bottling and

filling plants. Their direct payroll exceeds 90 million dollars. This is no small amount when added to the New Jersey economy.

The glass industry, in particular, is one of New Jersey's oldest industries. Workers in this industry are especially skilled. Many of them would have difficulty in converting their skills to new occupations. A number of these workers are older workers, who would have difficulty finding new jobs suitable to their skills.

These jobs are scattered throughout New Jersey, but there is a particular concentration in Cumberland County, which has one of the worst unemployment situations in the State. Cumberland County, which is particularly dependent upon the glass industry, had an unemployment rate averaging 17.4% during the first half of this year.

It is obvious that beverage container regulation, if it works, will cause a sharp drop in the demand for bottles and cans. It, therefore, will displace a substantial proportion of the workers engaged in container production. The impact will be most severe in Cumberland County, where the glass industry accounts for about 15% of all jobs.

Over the years, transportation has been a problem for workers in the glass industry, which is generally located in comparatively rural areas. Relocation of these workers to other jobs creates a particularly difficult situation. I understand there are many speakers who want to address your Committee today -- I don't want to take up too much of your time. Other speakers have, an other speakers will, bring out many other problems with this legislation. I think it sufficient that our Department at least point out to the Committee that proposals of this nature brought to the Department of Labor's attention, although apparently sound in theory, could be devastating to the workers of the State, the economy, and important segments of our industry.

Proponents of container legislation argue that there will be offsetting jobs created in other industries. They see new jobs in recycling, retailing, and distribution. Some retailers may have to add staff to sort and handle returnable containers, and some distributors may have to do the same.

We do not quarrel with the argument that at least some of this will happen. However, there is no assurance that it will be sufficient to fully offset the loss to the container industry. Moreover, whatever new jobs are created will mostly be in lower-paying occupations and will be geographically dispersed. They will not really take the place of the higher paid jobs lost in container manufacturing and many of them will not be accessible to workers displaced in counties like Cumberland.

One of the bills currently before the Legislature -- Assembly Bill 78 and Senate Bill 1294 -- would attempt to alleviate this problem through creation of an adjustment assistance program that would provide supplemental unemployment benefits, employee retraining and relocation assistance. The program would be supported out of a beverage container industry employment retraining and relocation fund, which would be funded through imposition of a charge on manufacturers and distributors equivalent to the handling charge they must pay to dealers.

While we certainly would want such a program to be incorporated in the event that container control legislation gets enacted, we question whether it would really resolve the unemployment problem such legislation would cause.

With unemployment as high as it is in New Jersey, where will we find the jobs to train these people for or to relocate them to? Most jobs created in other industries because of the increased burden of deposit-container handling on retailers and distributors will not really resolve the problems of the workers laid off by container manufacturers. We would be asking these displaced workers to retrain or relocate to take a less desirable job.

The Department of Labor feels that, while it is well-intentioned, this type of container control legislation is not appropriate for New Jersey at this time.

ASSEMBLYMAN McENROE: Thank you very much, Miss Applegate. Are there any questions for Miss Applegate? (no response) We will now digress again from our list of participants and call on our colleague, Assemblyman John Hendrickson, representing the 9th District, which is in Ocean County and part of Salem. Mr. Hendrickson?

A S S E M B L Y M A N J O H N T. H E N D R I C K S O N: Sorry I am late.

ASSEMBLYMAN McENROE: I am chairing the hearing, Mr. Hendrickson, in the absence of Assemblyman Hollenbeck. He will be returning shortly.

ASSEMBLYMAN HENDRICKSON: I thank you very much for the opportunity, Mr. Vice-Chairman and members of the Committee. I will start with my typed statement and will then answer questions.

I am basically in support of the objectives of the legislation you are considering today. I come from an area of resort communities where littering is a continual problem.

However, the Deposit Bottle Bill, while it has its merits, addresses only a small percentage of the debris found on our roads and beaches. It also places a heavy burden on a small percentage--

ASSEMBLYMAN McENROE: (interrupting) Excuse me, if I may. Could you bring the other microphone closer to you, in order that the transcript might be--

ASSEMBLYMAN HENDRICKSON: Is that better?

ASSEMBLYMAN McENROE: Yes.

ASSEMBLYMAN HENDRICKSON: Shall I start again?

ASSEMBLYMAN McENROE: It would be better, if you don't mind. This is important for the record.

ASSEMBLYMAN HENDRICKSON: It is no problem at all. Mr. Vice-Chairman and members of the Committee: My name is Jack Hendrickson, Assemblyman from the 9th District, Ocean County and Burlington County.

I am basically in support of the objectives of the legislation you are considering today. I come from an area of resort communities where littering is a continual problem.

However, the Deposit Bottle Bill, while it has its merits, addresses only a small percentage of the debris found on our roads and beaches. It also places a heavy burden on a small percentage of the population - local shopkeepers. In addition, this legislation presumes that tourists, who purchase the bottles at home, will carry the empty bottles back home for redemption. I suggest that an alternative and all-emcompassing approach to the litter problem is a comprehensive recycling program which can be operated under existing legislation. Such a program has many advantages:

It can be set up to provide incentive to private enterprise to process litter of all sorts for profit.

It can establish a whole new industry and create jobs.

It can provide a source of income for charitable organizations who would gather the litter and deliver it to private recycling processors where they would be paid immediately at spot market prices.

It would provide a viable solution to the problem of all types of litter without placing an unfair economic burden on just a few people, the beverage retailers.

Walk a mile of any stretch of roadway and you will see, as I did, that approximately 70% of the litter is not bottles.

I therefore respectfully suggest that you delay consideration of the deposit bottle bill and provide an opportunity for the existing law to work. The Materials Recycling Program is well underway with the adoption of the State Recycling Plan in 1980 and the enactment of the plans implementing legislation, the New Jersey Recycling Act, Public Law 1981, in September of 1981.

To this end, I have proposed to the Director of the Recycling Program that a pilot project be set up in the 9th Legislative District and that the Legislature approve a fund of \$250,000 to operate it.

I believe that this approach will lead to the complete, rather than partial resolution of the litter problem. What I mean by that, to be more specific, is that a recycling center be set up perhaps in each county in the future, but a pilot program to start, where we could create an incentive of people with pickup trucks, or any type of vehicle where they could go and have that truck compartmentized. They could put the bottles in one compartment, throw them in one compartment-- cans, paper, and debris from the roads. They could, at spot market, then, with not too far a distance, simply because of the cost, turn that in at the market prices. In those holding areas, you would then be able to sell it at market-- either holding it or letting it go in the aluminum, glass, and paper-- I know this is a long-range project, but our State, the great State of New Jersey, needs recycling as soon as we possibly can do it. Not only for the litter, but just in the consumption of energy and the consumption of our resources. Are there any question?

ASSEMBLYMAN McENROE: Thank you very much, Mr. Assemblyman. Are there any questions? (no response) We thank you very much for appearing today.

ASSEMBLYMAN HENDRICKSON: Thank you for the opportunity.

ASSEMBLYMAN McENROE: We will also digress to welcome an Assemblyman representing part of this particular county, from the 3rd District, Mr. Thomas Pankok. The 3rd District encompasses Cumberland, part of Salem, and part of Gloucester County.

A S S E M B L Y M A N T H O M A S P A N K O K: Thank you, Mr. Vice Chairman and members of the Committee. I will be as brief as I possibly can.

In the 3rd Legislative District, which encompasses Gloucester, Salem, and a portion of Cumberland County, the bottle bill would probably be one of the most devastating pieces of legislation to hit this district in my short term as an Assemblyman and in my long memory. No one has proved to any of us yet that a bottle bill would clean up our highways. I think what we have to move towards --

I don't want to sound repetitive -- the previous speaker alluded to it--that we do have to do the best we can, and as a Legislature, provide the monies for recycling throughout the entire State of New Jersey.

The bottle bill, as it is written, does not approach the subject that I think we should be approaching, and that is the entire amount and the kinds of litter that are on our highways today. But a job that is being done, like a company in my district, Anchor-Hocking, who ever Saturday morning has lines of trucks outside of its plant buying glass back-- If you ride throughout the district, especially in the Salem area, you will find young people walking along our roads or riding their bicycles along our roads picking up bottles and taking them to Anchor-Hocking to sell them. I think this is the area that we really should be moving in and the area that really needs the most consideration.

The bottle bill in my legislative district would be absolutely devastating. The district's history has been the glass manufacturing from before the Revolutionary War, when Wisterburg Glass flourished in Alloway Township.

The glass industry is an important industry. When you look at a 17.4% unemployment rate in Cumberland County, and most of the employment in Cumberland County, or at least a great deal of it, is in the glass industry. I think it is time we bury these bills and start looking at some new methods by which we would take care of the situation we are trying to approach. Thank you, Mr. Chairman.

ASSEMBLYMAN HOLLENBECK: Thank you. Our next witness is David Lloyd, New Jersey Business Industry Association.

D A V I D L L O Y D: Thank you, Mr. Chairman and members of the Assembly Energy and Natural Resources Committee. I am David Lloyd, Vice President of the New Jersey Business and Industry Association. This statement is being presented as a joint position of the Associations' Council on Energy, and its Committee for Environmental Quality. The memberships of those Committees, and the more than 12,000 company members whom they represent appreciate this opportunity to express our views with regards to the legislation now pending before the Committee on mandatory deposits for beverage containers.

With public interest focusing on conservation of natural resources, and public concern being expressed for the ever-increasing cost of solid waste disposal, it is only natural that legislation be considered which attempts to meet these issues. However, it is our opinion that mandatory deposit legislation will not solve the problems which you seek to remedy. In fact, the passage of such legislation may actually hinder the program that is already underway to achieve these goals, and, do great damage to New Jersey's economy as well.

As you are aware, during the last session of the Legislature, legislation was enacted that is known as the State Recycling Act. It has been referred to before. This Act was developed by a broad-based advisory committee with membership drawn from government, civic, and environmental organizations, as well as business and industry. Just as the membership of that advisory committee was delicately balanced to achieve a legislative objective, the Recycling Act and the Action program that is resulting are delicately balanced to achieve a recovery of some 25% of the municipal waste stream by 1986.

In less than a year from the passage of the Act, the program is showing promise that it will indeed help to solve the comprehensive waste disposal problems

with which New Jersey is confronted. We are concerned that if you upset the balance that has been struck in this Act by the passage of some form of mandatory deposit legislation, it cannot be determined whether that program can continue to grow and build upon its success.

Since the State Recycling Program was implemented, many new glass and multi-material redemption centers have opened in New Jersey. In some cases the demand for used glass has allowed the market to exceed \$50.00 per ton. Recyclable aluminum is also in great demand.

For the Legislature to tamper this point with the program that it developed only a year ago prior to the 1984 recording date that the Legislature itself set for the evaluation of the program's success, it seems, in our opinion, self-defeating.

Our greatest concern with mandatory deposit legislation is, of course, the affect that it will have on New Jersey's economy. No less than 10,000 people are directly employed in the manufacture of beverage containers in the State. With unemployment figures reaching the 10% level -- in this area, a good deal higher -- we can ill-afford to legislate job losses for our citizens in beverage container plants or in the various industries that provide support for these operations.

A comprehensive report, prepared by Owens/Illinois Corporation, which will be sent to the Committee along with additional copies of the statement I am presenting, summarizes the economic impact that the several pieces of legislation you are considering would have.

Even in the case of legislation requiring a deposit or prohibiting the use of refillable containers, it is estimated that no less than 400 jobs would be lost. We question whether the losses would be worth it in light of the dubious benefits of such legislation.

It is clear -- as other speakers have noted -- that the focus of the proposals is the abatement of litter. Yet, no comprehensive study has been made, to our knowledge, of New Jersey's litter problem to determine whether the percentage of beverage containers in that litter warrants this kind of legislative action. If, however, New Jersey approximates the litter mix of other states, only 20% to 30% of the total would be touched by deposit legislation, while the remaining 70 or more percent would remain unaddressed.

Furthermore, a 1979 study, conducted for the State of Michigan by the Institute for Applied Research, revealed that total litter in that state continued to increase following the 1978 enactment - that state's mandatory deposit law. Subsequent surveys reveal that it continued to increase through 1981. The Connecticut bottle bill was enacted in 1978. The result, both there and in Michigan, is that consumer prices for the beverages affected have risen to the point where they are among the highest in the nation. Additional costs based solely on the additional labor and handling required implement the legislation.

Our Council on Energy was particularly concerned with the waste of energy that will occur where deposit legislation is to become law. In those states where deposit systems exist, extra motor vehicles must be operated to pick up the empty beverage containers at thousands of retail outlets, with the result in squandering of gasoline resources. New Jersey should look closely at this aspect of the legislation, since we know all too well how limited these resources are.

In conclusion, we submit that the speculative benefits to be derived from mandatory deposit legislation are not worth potential loss of jobs, damage to a

successful statewide recycling program, increased costs, and the energy waste that we consider would result. Therefore, we urge this Committee to reject this type of legislation at least until 1984, when a proper evaluation can be made of the affect which the statewide Recycling Program has had on the objectives which that legislation addresses. We appreciate your consideration of our views

ASSEMBLYMAN HOLLENBECK: Thank you, Mr. Lloyd. Are there any questions? (no response) Is Martha May here? (no response) May we hear from Joseph Brock of Teamsters Local 830.

J O S E P H B R O C K: I would like to thank the Committee for the opportunity of being here. I would like to thank Martha May for getting me moved up one. I appear as a representative of Teamster Local 830, with over 5,000 members in the Pennsylvania/South Jersey area, 3,000 of whom are employed by the soft drink and beer industry. I am here to advise you of the problems forced deposit laws create for my members who earn their daily bread in the soft drink and beer industry. I am also here to support my brothers and sisters in the glass blowing industry.

The impact of forced deposit laws will be, and have been horrendous on our industry. Forced deposits not only adversely affect my members' wages and job security due to the resulting decrease in business, but will further proliferate the economic lows presently devitalizing the consumer. If I were to be an advocate of reducing the consumption of soft drink and beer, I can think of no surer method outside of prohibition. As a sidelight to that, since the New York bill was voted into law, even though it has not yet gone into effect, we have a plan in Chester, Pennsylvania, that is a private bottler, and that company has already lost business because their New York outlets have decreased the amount of packages they want to start stocking in their supermarkets.

I speak to you not only as a union representative committed to the best interest of my members, but I also speak as a former route driver/salesman for the Coca Cola Company. I was employed in that capacity from October, 1958 to May, 1974, prior to becoming a union representative. I was unfortunate enough to have been working in that industry when deposit bottles were the only method of delivering soft drinks. I was working in that industry when the "no deposit, no return" was introduced. I worked in that industry through the years of transition when soft drink giants such as Coke, Pepsi, 7-Up, or Canada Dry fought an arduous and determined battle to short circuit the "no deposit, no return" package. The industry was opposed for economic reasons. They were certain that the ultimate increase in the price of the "no deposit, no return" would eventually reduce the demand, consequently creating the tragic loss of the large investment necessary to retool their machinery and to meet the new package demands. No small investment to be sure.

What was the overriding factor that literally forced the soft drink and beer industry to proceed with the changeover? The consumer, pure and simple. The consumer desired, and in fact demanded, the convenience and cleanliness of a "no deposit, no return" package. In my capacity as a driver/salesman, the major portion of my income was produced by the selling of a product. At first there was a trickle preference for "no deposit, no return" one-way containers, but slowly and surely, despite heavy advertising and point-of-sale material for the familiar deposit, and despite a rather significant higher price, the demand

for the "no deposit, no return" progressed to a loud crescendo.

During the period of about 2 years that this transition took place, I spent a considerable amount of time dusting off the less expensive, heavily advertised deposit bottle as it sat quietly and passively on the supermarket and beer distributor shelves. I also became aware of the fact that my job was becoming less strenuous. No longer did I have to go down damp, dark basements and retrieve dirty insect-infested empty bottles. My pay check was also growing proportionately. The truck I delivered the product with could hold twice as many full cases because I no longer needed space for empty bottles. The soft drink industry received a strong lesson in marketing. That is, soft drink is an impulse purchase item more than they had suspected.

Drug stores, barber shops, beauty parlors, service stations, and industrial accounts began selling 3 or 4 times the amount of cases sold when only deposits were existing. Supermarkets, grocery stores, and beer distributor sales moved out of sight. Every soft drink company experienced the same growth pattern. The message was loud and clear, and it is clear today. The consumer does not want a package with the deposit attached.

The forced deposit laws not only force the general public to regress 15 years, it forces my members, the drivers who deliver these products, to return to the back-breaking job of lugging empty bottles -- trash, if you may -- all day and earn less money for the privilege.

I would also like to note, prior to the advent of the "no deposit, no return" package, it was a rare occasion to have a delivery driver work until the retirement age of 62 or 65. Due to the reduction in labor that accompanied the returnless package, retiring drivers at age 62 and later has become almost habit. Proponents of these bills tell us that someone has to pay the price. I submit to you, while that statement may be passible to a few, the price is far too high for something of so little value. My members are being asked to accept the loss of income and jobs that will result from a return to yesteryear. The consumer will ultimately pay a higher price for the purchase of soft drink and beer. Soft drink and beer employers will very quickly find themselves in the cold drink and trash business.

The argument that the lost jobs will be replaced by corresponding jobs related to new work procedures is specious and ludicrous. The jobs that will be lost are full-time, skilled, well-paying positions. The few jobs that may become available will be, for the most part, unskilled, low-paying, part-time employment, sorting and casing trash. Proponents of forced deposit bills usually suggest that after 2 or 3 years of deposits we will review the situation. I ask them in all seriousness, will they replace the jobs we lose, and will they replace the lost revenue to the industry and the lost wages to my members? I think not.

Mr. Chairman and members of the Committee, I appreciate your time and patience. I know too well that any legislation that contains the word "environment," "clean air," or "litter," is classified along with "Motherhood," "God," and "Country." These laws always appear to have logic at the center of their equation. I suggest that is not valid in forced deposit laws. I have no quarrel with the intention of those who represent these forced deposit laws, but I sincerely believe that these laws are expensive, inflationary, inefficient, and irresponsible to our

industry, our workers, and finally, the consumers. I would be happy to answer any questions you may have, sir.

ASSEMBLYMAN HOLLENBECK: Thank you, Mr. Brock.

MR. BROCK: Thank you.

ASSEMBLYMAN HOLLENBECK: Our next witness is Lawrence Levy from Kerr Glass Company. Mr. Levy, could you just move the public address microphone back a bit?

L A W R E N C E L E V Y: Is this okay?

ASSEMBLYMAN HOLLENBECK: Yes.

MR. LEVY: For the record, my name is Lawrence D. Levy, and I am the Financial Secretary Treasurer of Local #9, Kerr Glass, located in Millville, New Jersey. Our people, the members of all glass bottle blower locals, are opposed to any bottle bill legislation. We who have worked in the glass industry have seen our brother and sister members laid-off and we have seen plants closed all over the United States because of these bills.

The people who spoke for these bills and stated that the Governor of Michigan was proud of the state's bill, should really ask themselves this question: Do you really think any politician is going to admit that he or she made a mistake? The reasons we are opposed to these bills are as follows:

New Jersey is the largest glass producing state in the country. We export more glass containers than any other state.

New Jersey has one of the best recycling programs in America. Last year, the Kerr plant in Millville bought more than 15,700 tons of glass cullet. This is glass that people bring in to the plant which they collect from friends and neighbors and pickup along the roadside. This area, many years ago, went to other states recruiting people to leave their homes and come east and north to work in the glass industry. These people have lived in this part of the State for over 40 years. Now, after being good, hard-working citizens and paying taxes, you would help them lose their jobs and force them to leave this State and have them look for work elsewhere. It seems ironic that you would pass a bill that would cause more unemployment in a state that has one of the highest unemployment rates in the country, and in a county that ranks 5th in the nation in unemployment.

This State is one of the most highest in pollution and has the highest rates on utilities, and the highest property taxes. On top of all of this, you want to add more burden to our people by passing the bottle bill.

Just recently, the Speaker of the Assembly has been trying to raise our State income tax because there isn't enough revenue. You can't get money out of people that are out of work. If those people who are working have to get a lesser paying job, then the State will get less in tax dollars also.

When speaking to some of the owners of small stores, or even the larger stores, they all say the same thing: this bottle bill is inflationary. The older store managers remember when they used to have returnable bottles. If a person brought back one off-brand bottle that the store didn't handle, and the store to take it, the bottle was often broken in front of the store or the storekeeper was cursed for not taking it back. My father-in-law was in the milk business for over 40 years. During that period of time, I spent many of my days off helping him in his dairy. I saw the way bottles came back, some full of cigarette butts, some with cockroaches, and all other types of filth in them. Some of these bottles were broken and thrown away, while others had to be soaked for days in an effort

to try to get them clean.

The State of Michigan seems to be used in comparison to what you people keep hearing about. The Associated Food Dealers of Michigan state the cost was \$200,000,000 to \$300,000,000 in loss their first year. There was also a loss of sales reported by the beverage industry all across the state. One can company closed in that state, and the effect of that bottle bill caused other plants located in Michigan and surrounding states to reduce their operations.

I would think New Jersey, which just recently became the 37th state that passed the Death Penalty, could wait to see how New York and other larger states made out with their bottle bills. New Jersey doesn't have to be in the top ten with this type of legislation. Ask the Governor how much money was lost in sales taxes and other types of taxes, which the state depends upon. Naturally, if taxes aren't enough, you can raise the deposit on the bill or the sales tax. You also want to remember that this State's number one business is tourists. We are one of the most traveled-through states in the country. We have a lot of underaged people who, no matter how hard you try to prohibit from beer, they still get beer and other alcoholic beverages. These people will discard these containers anywhere.

I do a lot of fishing not too far from here in a State Park called Corson's Inlet. This park used to be a very nice place to fish, boat, or whatever you like to do. In the last year, the litter has become a serious problem. You want to say by trying to eliminate the returnable bottles-- Mr. Chairman, I have bottles with me from the State of Iowa found -- courses showed would return \$.05 to the State of Iowa. You are not going to stop littering unless you stop the people and educate them. Passing this type of legislation will only cost us jobs. Thank you.

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

(Applause) I thought maybe he was singing a song when I heard applause. Please, no applause. We don't need it. Thank you very much. I have no questions. Our next witness is Carol Barrett from the New Jersey Chapter Sierra Club.

C A R O L B A R R E T T: Good afternoon, ladies and gentlemen. I am Carol Barrett. I live in Camden County. I am a life-long resident of Camden County. I am the Chairman of what is called the West Jersey Group of the Sierra Club, which represents members in all of the seven southern counties in New Jersey. I might say that the Sierra Club has known a tremendous increase in its membership in the last few years. I will say that the condition of our parks and our neighborhoods due to things such as litter and unsightly conditions, I am sure has brought us many new members.

One problem I have with the hearing today is, it seems that the discussion is not centered on one bill. The Sierra Club, along with the League of Women Voters, Environmental Lobby, and other organizations, are recommending that A-1753 is the bill that the Committee should report out. We would hope for a refillable bottle enacted. This is a compromise bill for us. We had hoped for a refillable bottle bill, saving resources and energy. But, due to consideration of the issue of jobs in the glass industry, we are happy to comply with what is said to be helpful in retaining those jobs. We are not interested in seeing any industry suffer if it can be efficiently managed that the bottles will be returned, and they will be returned if there is an incentive. We would be very happy to see the cullet increase, and the glass industry would not be adversely effected.

Assembly Bill 1753 will have virtually no impact on the glass bottle manufacturing industry. Since A-1753 prohibits the refilling of beverage containers, all empty containers returned for deposit must be recycled -- i.e., crushed-up and made into glass cullet for the remanufacture of some type of new glass container. Therefore, in the event that A-1753 or a similar bill becomes law, the glass manufacturing industry will continue to manufacture the same number of beverage containers as before the law was enacted. Mr. Charles Marciante, President of the New Jersey State AFL-CIO, when responding to a question asked by a committee member at the July 14th hearing, stated the AFL-CIO "would have no real problem" with the prohibition on refillable containers, since the prohibition would protect existing jobs in New Jersey.

Beverage container deposit laws should have a positive effect on employment in New Jersey. We estimate about 4,000 jobs would be created for receiving, handling, and recycling the empty containers. A report published by New York Assemblyman G. Oliver Koppell, "Inconspicuous Consumption" -- I will leave a copy with you -- indicates that after Michigan enacted beverage container legislation, Michigan employers hired 4,888 new workers in various levels of the beverage industry. Similar bills enacted in Oregon resulted in 575 new jobs for warehouse and handling, and 140 new jobs for truck driving; in Maine, 626 new jobs were created and in Vermont, 350 to 450 new jobs. New York Governor Carey's Office of Development Planning reported in "Mandatory Deposit Legislation: Benefits and Costs for New York," that New York would gain about 5,000 new jobs if a "can and bottle bill" were enacted. It should be noted that Governor Carey opposed mandatory beverage container deposit legislation prior to reviewing this report, which he had commissioned; he now supports this law. The AFL-CIO in both Maine and Vermont support their states' bottle bills due to employment increases related to the bills.

We wish to point out several overstatements which have been made by opponents of the "can and bottle bills" during campaigns in other states. We offer these comments simply to alert the Committee of the potential for similar overstatements which could be made by New Jersey opponents of the "can and bottle bill

In Ohio, during a referendum campaign for beverage container deposit legislation, opponents claimed 10,000 jobs would be lost in the container industry, but in fact there were only 3,600 people employed in that industry in Ohio.

In New York, opponents claimed a potential loss of from 7,000 to 8,800 jobs, but the New York State Department of Commerce estimated that there were only 4,600 workers employed in the container industry.

In Michigan -- of which we heard much today -- Owens/Illinois claimed a loss of 161 jobs as a result of the Michigan bill. Just 10 months before the bill's enactment, however, the Company had hired 110 temporary CETA employees.

Finally, the Glass Container Corporation in Dayville, Connecticut claimed, according to the New York Times, a loss of 700 jobs, but in reality, the company laid off these 700 workers temporarily for 2 holiday weekends.

At the July 14th hearing, testimony was presented by Floyd Flexon of Owens/Illinois, that his company employs 4,000 people in ten plants throughout New Jersey; however, Mr. Flexon did not tell the Committee how many workers actually are employed by Owens/Illinois to make glass and plastic containers for use in

New Jersey. Sylvia Swanson of the Glass Packaging Institute, presented in the appendix of her testimony for the July 14th hearing, that Owens/Illinois employs 1,616 people in the glass container industry; the Committee was not told how many of these workers actually make beverage containers for use in New Jersey. Nevertheless, two presentations indicated that the same company employs either 4,000 people, or 1,616 people in New Jersey.

We do not wish to support beverage container legislation which will threaten jobs in New Jersey. We are convinced that A-1753 will result in no job loss at all and in fact will cause an increase of 4,000 desperately needed, minimum wage, low-skill jobs.

One other issue that is constantly brought up is price comparison. In the testimony that I am leaving with you, I copied a table which tells you the different -- through shopping -- prices in Connecticut, New York, and Massachusetts. It shows you the differences in prices. That is a rather dishonest way to try to present testimony because you really have to cover too many stores, you have to cover too many types of consumer products. It is not something you can honestly say if it is this or that, because there are too many variables.

I recall two years ago, I was visiting my daughter in Ohio. We purchased a carton of Coca Cola - the 10 ounce bottles. They charged us \$.10 a bottle - returnable. They did not, that I know of at that time, in Ohio, have a bottle bill. But, we took it back before we left. We were just visitors in the community, where the pine barons are much touted and beautiful recreational rivers for canoeing. The camping areas in the pine barons are just the despair of the local officials due to the constant throwing around of bottles and beverage containers. Paper will disintegrate. When you talk about packaging, of course, we don't want people that are in packaging. But, paper and paper containers will disintegrate; bottles and plastics will not. Plastics are recyclable, which is a great blessing when you consider the plastic industry is taking over a big portion of the market. A lot of the market problems of the glass industry can be due to other factors than what we are talking about today.

The fact that we are having an economic recession or depression in some people's minds has a lot to do with the problems that you have economically. We believe that a deposit bill, which was in effect when I was a youngster, and I supplemented my meager allowance by getting Canada Dry and other big soda bottles back for \$.05 to the store, was not anything that I sneezed at. There is an incentive for people to recycle - to take back to the store. Someone mentioned the fact that maybe thousands of bottles will be brought back to one poor little retailer or mom and pop grocery store. From what I recall -- I don't know how this bill would contain this -- you had to take the bottles back to the distributor, to the store that sold that particular brand. He was, of course, reimbursed by the distributor. There are all kinds of fail-safe measures which this bill could contain, which will address many of the issues which people are concerned about.

The actual cost may come as more from industry with a handling fee, but, like everything else in our economy, it is eventually passed on to the consumer. As a consumer, as well as a member of a volunteer organization, I payed more all of the time, anyhow. A penny or two cents is not going to make that much difference when I purchase bottles of anything.

I think this Committee would be well advised to pass out this bill. We do not like to see it confused during these discussions with the refillable bill. We think this is the compromise that was affected after much discussion. Thank you very much.

ASSEMBLYMAN HOLLENBECK: Do you have a copy of your statement for us, please?

MS. BARRETT: Yes.

ASSEMBLYMAN HOLLENBECK: Thank you. Do you have a question, Harry?

ASSEMBLYMAN McENROE: I do not, thank you.

ASSEMBLYMAN HOLLENBECK: Our next witness is Debra Procacci of the South Jersey Chamber of Commerce.

D E B R A P R O C A C C I: Good afternoon. My name is Debra Procacci, and I reside in Pennsauken, Camden County. I am Supervisor of Governmental Relations for South Jersey Gas Company, which is a public utility serving natural gas throughout South Jersey. Today, however, I am representing the South Jersey Chamber of Commerce as Chairperson of the State Affairs Committee's Omnibus Subcommittee. Our Subcommittee thoroughly reviewed the pending legislation dealing with mandatory deposits on beverage containers, and we thank this Committee for the opportunity to present our views. With me today are Dennis F. Bradley, Chamber Vice President, and John E. Burns, a member of the Chamber's Board of Directors.

One of New Jersey's most distinguished and productive citizens was Thomas Alva Edison. He was an inventor without peer, but foremost, he was a problem-solver.

In solving problems, he would experiment with solutions. If a proposed solution didn't work -- like the steel filament light bulb -- or was not economically feasible -- like the platinum filament -- he did not waste time or resources on these failed solutions. A century after Edison, New Jersey is faced with two inter-related problems; litter and solid waste disposal, in need of solutions.

Some proposed solutions are A-1237, A-78, A-533, A-1180, and A-1671, which would require forced deposits on beverage containers. Fortunately, New Jersey does not have to be the guinea pig for this failed experiment. Other states, including Oregon, Connecticut, Vermont, Maine, Iowa, and Michigan have had forced deposit for a number of years. The results have been far below expectations and far from satisfaction.

Litter reduction has been modest. For example: Oregon litter declined just 10.6% after one year--

ASSEMBLYMAN HOLLENBECK: --(interrupting) We have gone over the examples many times. Why don't we jump to page 3 and then go through your other things.

MS. PROCACCI: Okay. I would like to talk a little about the Michigan law, which has cost consumers \$250,000,000; Connecticut, \$34,000,000; and, Iowa, \$20,000,000, according to various state sources.

It has been estimated that a national bottle bill would cost Americans over \$4 billion in higher beverage prices, according to can industry estimates.

Why these results? First of all, beverage containers make up only about 16% of highway litter by count, and less than 5% of urban street litter according to the Institute of Applied Research. Just take a look around as you walk down the streets in Camden or Trenton.

In the area of solid waste, the Environmental Protection Agency says that leisure beverage containers constitute only 5% or 6% of the solid waste total. Again, placing a mandatory deposit on beverage containers is a band-aid solution to a hemorrhage.

Why are the costs of mandatory deposit so high - costs that ultimately are borne by the consumer? Starting with the higher costs of making returnable containers, the cost continues to grow when the higher costs of shipping the empties back, the higher costs of cleaning the returnables, the extra warehousing, trucking and handling, pest control, are calculated.

What is the solution to (1) litter and (2) solid waste?

1. Litter is caused by litterers. It is a social problem which needs to be attacked through social education. There are many societies - Denmark, Belgium - where it is socially unacceptable to litter. This frame of mind needs to be fostered in New Jersey.

2. Solid Waste is a problem that cannot be solved through education alone. Perhaps Thomas Edison would have suggested that we continue working on solutions that have the best prospects of solving the majority of the problem, not just 5% of the problem. These solutions are recycling and resource recovery. With the population densities in New Jersey, recycling and resource recovery could become very efficient.

As you can see, the rest of the testimony deals with the Recycling Act of last year. The Chamber is very supportive of that Act, especially because it includes funds for public education.

In conclusion, the South Jersey Chamber of Commerce supports the provisions held inherent in the Recycling Act and respectfully requests this Committee to give the law the test of time before initiating any other measures, like the bottle bills, to alleviate the State from the burden and hazards of litter and solid waste.

We feel the law is a beginning to solving these problems and is enhanced by the inclusion of funds for public education against litter.

Mandatory refund values are another hidden tax on consumers and will not solve the problems of litter and solid waste as evidenced in Oregon, Connecticut, Vermont, Maine, Iowa, and Michigan.

The South Jersey Chamber of Commerce strongly urges this Committee to oppose the beverage container bills. The groundwork for education against littering and a good recycling plan are in place -- let's give them an opportunity to work. Thank you.

ASSEMBLYMAN HOLLENBECK: Thank you very much. You have a new one in the statistics --- the 5% to 6% of the solid waste constituted by the leisure beverage containers. That is a nice low one. I haven't heard that one in a long time.

MS. PROCACCI: We called the United States Environmental Protection Agency, and that is the number we got.

ASSEMBLYMAN HOLLENBECK: What is a leisure beverage container?

MS. PROCACCI: I could divert that question to one of my colleagues, John Burns.

MR. BURNS: Leisure beverage containers would be your soda containers, beer containers, and it could go to your fruit drink containers--

ASSEMBLYMAN HOLLENBECK: Thank you. Six percent-- Are we talking about piece count, volume count, weight count, biodegradable life-span count? What are we talking about there? In other words, statistics--as I was just trying to show to the audience--are all different in which ways. Some statistics say by piece count, and the beer can has the same value as a cigarette butt. Other statistics go by weight, where a cigarette butt, of course, is much less in weight than a beer can, and they go by that. So, statistics have a tendency to be very deceiving to you.

MS. PROCACCI: Mr. Chairman, in defense of our Committee, we did contact the Agency in Washington, and felt that the response that they gave us was a responsible response. That is why we used it in our testimony.

ASSEMBLYMAN HOLLENBECK: I am sure the statistics they gave you came right to the conclusion they wanted them to reach. Thank you. Our next witness is William Pearce from the Coca Cola Bottling Company. Mr. Pearce, that looks like a large group of papers there. I hope you are not going to attempt to read through all of that, are you sir?

W I L L I A M P E A R C E: Fifty percent of it. No, sir. Mr. Chairman and ladies and gentlemen, I am not going to read my statement. I am going to synopsise. I am going to try to answer a few questions that you have been asking.

ASSEMBLYMAN HOLLENBECK: You are one of the gentlemen that we would like to ask a lot of questions of, that you will have the answers to.

MR. PEARCE: Hopefully. My name is Bill Pearce, Vice President of the Coca Cola Bottling Company of New York, with our Corporate Headquarters in Hackensack, New Jersey. I am immediate past President of the New Jersey Soft Drink Association, and I would like to make these comments on behalf of both my company and the New Jersey Soft Drink Association. All of this information is contained in the statement. I will be very brief as far as the statement is concerned.

The New Jersey Soft Drink Association is composed of 40 independent bottlers operating 58 bottling plants and distribution centers throughout the State of New Jersey. We are not a tremendously large industry, yet, we represent a substantial factor in the economic environment of the State of New Jersey. Well over 50% of our bottler members employ less than 50 people.

We presently have a payroll of approximately \$63,000,000, and we pay approximately \$7,000,000 in state taxes.

You have heard a lot of facts and figures, and of course, the New Jersey Soft Drink Association is eminently opposed to any type of container legislation - restrictive legislation. This includes all of the bills, including A-1753, because in spite of what may be a perception in the soft drink industry, there are still a number of returnable, refillable bottles in the market. I think it would be a disservice to the free market system and the free enterprise system, if we considered a bill that drastically was against refillable returnables, for the simple reason that one of our bottlers, Mr. Joe Paretto, who is an independent flavor bottler in Clifton, New Jersey, distributes approximately 70% of his product in returnable, refillable containers. The rest of us practically distribute very little - practically none. The fact of the matter is, there is still a slight returnable, refillable market. To pass a law that would exclude returnable,

refillables, would turn the key on Mr. Paretto's plant in Clifton, New Jersey, who has been in this business for 3 generations, and employs 50 people. Certainly, that would be a disaster.

I think in terms of the question that you asked, Mr. Chairman, several times is -- if I have the question correct -- what effect does the Recycling Act have on jobs in relationship to the bottle bill in its relationship to what it has on jobs. Is that fairly accurate?

ASSEMBLYMAN HOLLENBECK: I will ask the question when you are finished? Are you finished with your statement?

MR. PEARCE: No. I'm not finished.

ASSEMBLYMAN HOLLENBECK: I will ask the question when you are finished with your statement.

MR. PEARCE: Let me finish the statement. I think basically, when you ask what effect does the Recycling Act have on jobs in the glass industry, it is difficult to answer that question, because perhaps it has none. But it has, in effect, on the amount of cullet that is returned to these glass companies, which in effect allows them to perhaps produce more efficiently and have a better operation.

But, the net on job loss -- and after hearing the testimony from the lady from the Sierra Club, one would believe that a bottle bill would be the greatest boom to the recovery of our economy in providing jobs. The job situation as far as our industry is concerned, is based on the cost of the product, the cost of going into the refillable business, if necessary. The net result of the job loss is a loss in sales volume. Loss in sales volume on the bottler level in turn translates as a loss in volume at the glass company. If our sales are down 10% as the industry is in Connecticut, then, and assuming that business is 99% one-way package, then the glass business is down 10%. A 10% decrease in sales in today's economy represents job loss.

Why the 10% decrease in sales? I want to tie 2 things together here -- both a tremendous inflationary factor of a bottle bill and how it relates to a six-pack. Make no mistake about it. The inflationary factor for just handling charges on both the bottler level and the food store level will be no less than \$1.00 a case, and perhaps as much as \$1.25 in New York.

We went to court in Suffolk County--the Coca Cola Bottling Company of New York--to contest the legality of the Suffolk County bottle bill. We presented testimony in the Supreme Court on our costs. Our costs at our plant in Connecticut netted out \$.40 per case for handling. This net resulted after income from recycled glass and aluminum were taken into consideration. An income for unclaimed deposits, \$.40 per case. Then, on the retail level, we add another \$.72 per case.

Let me give you an example of what happened to the six-pack of cans -- and if the glass people will excuse that expression -- in Connecticut. Pre-bottle bill, a six-pack sold to the dealer for \$7.66. The wholesale was \$2.39, the dealer margin was 19%, and the handling fee was zero; dealer total income, 19% or \$1.90 per case. After the bottle bill, the wholesale would automatically be raised to \$7.90 with a \$.24 handling charge. Retail, 6 for \$2.74. Dealer margin raised to 27%; profit per case \$3.06 plus a handling fee of \$.24. The total dealer income, 30%, or \$3.30 per six-pack. Add a \$1.20 deposit on \$3.30, and you have \$4.50. Now, \$4.50 is a deterrent in our business for the sale of the six-pack.

It is particularly a deterrent to the very small dealers who do not have that kind of investment to make in stock and once-a-week delivery, as they did years ago when we came in once a week. The result is retarded sales. Sales retardation is reflected at the glass plant. I am finished with that particular phase. Do you have any questions on that?

ASSEMBLYMAN HOLLENBECK: Are you finished with your statement so we can start asking some questions?

MR. PEARCE: Yes.

ASSEMBLYMAN HOLLENBECK: All right. Thank you. The one question I had asked earlier was: A great deal of glass was returned by the New Jersey Recycling Act in the form of cullet. Why, if there was a deposit legislation where the glass was returned for recycling and also returned in the form of cullet, would that cost jobs when it didn't cost jobs when it was returned by the Recycling Act? People seem to be blaming both ways--

MR. PEARCE: I can't hear you.

ASSEMBLYMAN HOLLENBECK: Let's try it this way: When you return glass through the New Jersey Recycling Act and it is returned in the form of cullet, it does not cost jobs to the glass industry. Why did that deposit legislation on glass and that refillable, if the glass is returned as cullet, does that cost jobs to the glass industry?

MR. PEARCE: Because the deposit system places such a financial burden on the consumer that the volume is reduced. (Applause)

ASSEMBLYMAN HOLLENBECK: Hold it now.

MR. PEARCE: That is the very simple answer to that question, why cullet returned under the deposit system causes a job loss - loss in total volume. Remember, the glass factory makes only one trip.

ASSEMBLYMAN HOLLENBECK: You happened to have had the answer that I thought as the answer, allright. I thought that was the answer right in the beginning. This morning, no one seemed to have that same answer. I agree with you.

MR. PEARCE: Thank you. I have been sitting here waiting.

ASSEMBLYMAN HOLLENBECK: Now, let's get to another area on recycling. Let's talk about cans. I want to talk about "flip-top" cans. Ladies and gentlemen, flip-top cans, generally fall in this area now of what we call the bottle bills. But, there are couple of other items. Let us talk about flip-top cans, the ones where you have the detachable ring. Does Coca Cola manufacture that type of can, or use that type of can?

MR. PEARCE: It is the bottlers' option to determine what top he uses. My company, and others, have chosen to use the stay-on tab since it was created. There is a difference in the charge. But certainly this is something the soft drink industry can do voluntarily to make a contribution.

ASSEMBLYMAN HOLLENBECK: So, if any legislation dealing with the question of cans, beverage containers where they have a detachable opener on them, that would not have a real impact because there is an acceptable alternative to the industry?

MR. PEARCE: That is true. There is an acceptable alternative, which costs a little more money, which will in turn cost the consumer a little more money.

ASSEMBLYMAN HOLLENBECK: That happens to be something that we generally talk about, in reference to the detachable openers. Now, let us talk about ring binders that hold the six-packs together. Does your corporation use a plastic ring binder?

MR. PEARCE: That is an option also. Biodegradable holders-- You are referring to a ring-holder? In other words--

ASSEMBLYMAN HOLLENBECK: That holds the six-pack together.

MR. PEARCE: Right. That is available in biodegradable form, which should present no objection to the environmentalists.

ASSEMBLYMAN HOLLENBECK: What is that, the alleged biodegradable plastic ring binder? Is an alternative available other than alleged biodegradable ring binders?

MR. PEARCE: That I don't know.

ASSEMBLYMAN HOLLENBECK: Or, will they have cardboard containers? Do you have cardboard containers available?

MR. PEARCE: Well, you have the same problem with cardboard, as you would with the biodegradable ring holder. They both would degrade in time, if they were left somewhere. We are assuming that many of these problems are going to be solved by the Recycling Act. I would like to comment on the Recycling Act, because Bob Donovan alluded to it.

Part of the Recycling Act is the formation of a litter abatement program. This program is in the recycling law. It is partially funded by the Recycling Act. It is the intent of this litter abatement plan to bring together the elements of the soft drink industry, the beer industry, labor, industry, or legislators, to come up with a program of litter abatement to supplement the Recycling Act. This is going to take a substantial amount of funding. We look to the private sector, and we look to the public sector for this. But, it is a program that is well overdue because not only is it going to attack litter, but it is going to do something to bring this whole State's image up by the bootstraps, which is so much needed.

ASSEMBLYMAN HOLLENBECK: I know that the program started to catch a little fire, particularly when we said we were having hearings on bottle bills. That is when all of a sudden that great program started to get going. The question I have is: Are there alternative methods to hold six-packs together besides using plastic holders? Is there an alternative?

MR. PEARCE: There probably is. We do not use it, and I don't know. You have probably seen an alternative.

ASSEMBLYMAN HOLLENBECK: Aren't there cardboard ones?

MR. PEARCE: We don't have them.

ASSEMBLYMAN HOLLENBECK: But, they are available?

ASSEMBLYMAN McENROE: In the industry, yes.

ASSEMBLYMAN HOLLENBECK: In the industry.

MR. PEARCE: There could be.

ASSEMBLYMAN HOLLENBECK: Or, they could be made available? But you see--

MR. PEARCE: They could be.

ASSEMBLYMAN HOLLENBECK: (interrupting) I'm trying to find out if legislation dealt with plastic ring binders and put some type of outright ban on them, whether that would put an undue burden where there was no alternative to the industry. I think the answer is that there are alternatives.

MR. PEARCE: Let me say this one more time. Under a given set of conditions, we can innovate to certain degrees, then we get into a cost factor. If we can do it more cheaply with one product that will serve the purpose, that is the product we ought to use. I'll use an example-- You are talking about cardboard, and I am talking about a biodegradable plastic. From an environmental viewpoint, they are both the same.

ASSEMBLYMAN HOLLENBECK: Of course, the question biodegradable plastic is degradable at ultra-violet sensitive plastic. I'm trying to find out if there are other things available for the industry, and if there was something legislated. We don't want to put an undue burden on the can industry or on the bottle industry, as far as the returns. Is there--

MR. PEARCE: Excuse me, just a minute, Mr. Chairman. I say we can provide an alternative to the present plastic loop holder which is not biodegradable.

ASSEMBLYMAN HOLLENBECK: What bothers me in reference to the industry is, I have read -- I don't know personally, but I have read about it -- about dealing with New York's passage of the law, they have the removable tab can law, that all of the cans they want to dump, they are going to dump them in Jersey with the pull tabs on because they can't use them in New York. That is the way they are going to do that.

MR. PEARCE: We distribute millions of cans in the State of New Jersey. Every one of them has a stay-on tab.

ASSEMBLYMAN HOLLENBECK: God bless you.

MR. PEARCE: So so some of our competitors, but I am not going to give them the credit. (laughter)

ASSEMBLYMAN HOLLENBECK: I will have to ask you something else. I don't know the answer to this. Is there an alternative to an opener on a bottle that is not removable. In other words, an opener that stays on the bottle so we don't have bottle caps that are discarded.

MR. PEARCE: Not that I know of.

ASSEMBLYMAN HOLLENBECK: I don't know the answer to that either. Thank you. Assemblyman McEnroe?

ASSEMBLYMAN McENROE: Just some further statistics. Coca Cola Bottling Company uses plastic, cans, and bottles.

MR. PEARCE: Right.

ASSEMBLYMAN McENROE: How about the percentage? What is the percentage of bottles? Is it a third?

MR. PEARCE: It would be about 60% to 70%. It is higher in some areas.

ASSEMBLYMAN HOLLENBECK: Sixty percent glass?

ASSEMBLYMAN McENROE: Sixty percent is glass?

MR. PEARCE: There is plastic involved.

ASSEMBLYMAN McENROE: No, no-- The next question of course is, what percentage is the plastic bottle?

MR. PEARCE: Unfortunately, I can't give you an accurate figure on that. It would probably be somewhere in the break-even point.

ASSEMBLYMAN McENROE: Are you using more plastic in 1982 than you were using in 1981? Is the trend toward the plastic bottle?

MR. PEARCE: It remains about constant because we are-- The crazy

thing about our industry is, we keep innovating with package sizes. Just as an example, we are moving heavy into the 16 ounce or half liter. This is a glass package. So, that will stimulate the glass business. As a result, that takes some away from the plastic bottles, which are predominantly in the large bottles - the 2 liter bottles. Of course, you never see these bottles on the roadside. Really, the concerning thing to us in the industry is, we are making a big deal out of bottle and can litter. A vast portion of our volume never gets out of the home - the 64 ounce and the 32 ounce.

I have another comment on the litter in the State of New Jersey. There is no one in this room that drives any further than I do. I drive 120 miles a day to and from my office. I drove 65 miles down here this morning. I don't see all of this litter all over the State as everyone else sees it. I had a pretty pleasant drive down here this morning, and I counted about 5 cans. I think that the cost benefit ratio of the bottle bill is so outrageous that it is really a shame that most of us have to take the time, and all of these folks in the glass industry that are here, a day away from their work, to continuously argue this issue. (Applause)

ASSEMBLYMAN HOLLENBECK: Please, we have been doing good all day.

MR. PEARCE: Mr. Chairman, I want to end on sort of a light note.

ASSEMBLYMAN HOLLENBECK: We have one more question.

ASSEMBLYWOMAN OGDEN: I just have one question, Mr. Pearce. What has been the impact of the recession on Coca Cola Bottling, in terms of jobs? The impact of the recession of the past 2 years on either your company or the soft drink industry--?

MR. PEARCE: Well, I think it hasn't been good, naturally.

ASSEMBLYWOMAN OGDEN: I mean actually in terms of lost jobs. Do you have any statistics?

MR. PEARCE: That is difficult to measure because, you know, years ago we were showing some heavy increases. Maybe we don't show those increases. The impact, I would have to say, on the industry is the same as any other. As our sales go down, we have to let people go. That has happened. It is like a yoyo. When it comes back up, as we do in the summertime when our volume increases, we hire more people.

ASSEMBLYMAN HOLLENBECK: Thank you.

MR. PEARCE: Please let me read this one paragraph. The lady representing I think the League of Women Voters in Parsippany said, if she heard the word cockroach one more time, she was going to scream. So, I want to read you an official document from the State of Connecticut, written on Connecticut General Assembly stationery, signed by J. Peter Waldron, Assistant Director of Fiscal Affairs for the Joint Committee on Legislative Management:

To All Offices: Storage of Empty Cans and Bottles - It has been brought to my attention by the maintenance people that some offices are storing a considerable number of empty cans and bottles. This storage is causing roaches. The maintenance department will be instructed that all cans will be removed from each room on Sunday night of every week.

So, regardless of testimony that indicates we do not have a vermin problem, a health problem, or a sanitation problem, it is with us and certainly will be with us. Thank you very much.

ASSEMBLYMAN HOLLENBECK: Thank you, Mr. Pearce. Our next witness is Rich Willinger, Association of New Jersey Environmental Commissions.

R I C H A R D W I L L I N G E R: Good afternoon. My name is Richard Willinger and I am Executive Director of the Association of New Jersey Environmental Commissions, a private, non-profit educational and environmental advocacy group which serves 1500 municipal environmental commissioners and other local officials throughout New Jersey. New Jersey's municipal environmental commissions are advisory bodies which study the use of natural resources and counsel municipal officials about the needs of the community as they relate to the maintenance and preservation of the environment.

My Association supports legislation which would impose mandatory deposits on beverage containers in New Jersey. We support this legislation for the same reasons which you have heard from the supporters of these bills. Such a law will:

1. Reduce litter from beer and soft drink containers which are the least degradable and most hazardous to health and transportation component of litter by 80% to 90% (which translates to a reduction of approximately 40% of all litter). Parks, urban lots and roadsides are rendered unusable and unsightly in the extreme from discarded cans and bottles. Educational programs and laws just do not work. Have you ever, in your life, known someone who was fined for littering?
2. Reduce governmental (and thus the taxpayers) costs for litter clean-up. It is a never-ending, losing battle to continually clean up litter. And, when there is a budget crunch, funds for such cleanup are among the first to go, as we witnessed last year when highway cleanup was stopped. With an MDL law, you would create a cleanup crew of almost 8 million persons who will voluntarily cleanup litter at all times of the day and even on weekends. Wouldn't this be great? Especially when government is faced with "caps" on spending and reduced federal money to assist them.

The amount of glass and aluminum recycled in New Jersey would be increased and used to produce new cans and bottles, thus reducing the amount of raw materials and energy consumed by the industry.

3. Landfills would be filled at a slower rate and, concurrently, landfill costs would be reduced due to the smaller amount being landfilled. There would be a reduction in municipal waste of approximately 5% to 6%. Landfills are presently a scarce commodity in New Jersey, and it is extremely difficult to site a new landfill. Just ask the Freeholders and Solid Waste Advisory Council in Morris County about their current attempts to site a landfill. Until resource recovery facilities are built in the late 1980's, everything possible must be done to reduce the rate in which landfills are being filled. In fact, removing glass and metal from the solid waste stream will improve the operation of resource recovery facilities which burn the garbage for energy production.

Mandatory deposit legislation is working well in the six states which have adopted it. Everyone with whom I have talked from Vermont, Maine, Connecticut, and Michigan, and those New Jerseyans who have visited these states, rave about the cleanliness and lack of litter there. The people of New Jersey want such a law. Editorials have appeared in major newspapers throughout New Jersey in support of mandatory deposit legislation: The Record, The Home News, The Observer-Tribune, The Asbury Park Press, The Star-Ledger, The Daily Record, The

New York Times. Resolutions have been adopted by over 135 towns in almost every county in the State, and by 10 County Boards of Freeholders. Being from Morris County, I am only aware of two polls conducted by my local Assemblymen and Assemblywomen, and both showed overwhelming support for a bottle bill. Frankly, I wish that Eagleton Institute of Politics at Rutgers University would conduct a poll on this issue to confirm that a majority of citizens support such a law.

I would now like to focus on one of the controversial issues generated by the likelihood of MDL: What will be the costs to industry and the consumer if MDL is enacted? We believe, based on the figures I am about to present, that there will be no increased cost to the consumer. Of course, we can't prevent industry from artificially inflating costs after the law passes so that they can say they were right in predicting cost increases. But an objective analysis indicates that there should not be any cost increase.

Manufacturing costs will vary depending on which MDL bill is enacted. Under the most recently introduced bill, A-1753, there is a prohibition on the refilling of beverage containers except for those companies currently using refillables. Thus, container manufacturers can continue to produce one-way containers and need not retool for production of refillables. Under the other bills, if a company feels it will be more profitable to retool and manufacture refillable containers, far be it for me to say they can't make more money by doing so.

Manufacturers have suggested that deposit legislation causes a loss in sales due to the inconvenience suffered by consumers. While it is true that consumers may have to get used to returning their empties, we do not believe that sales will decline anywhere near the 10% projected by Owens-Illinois in its July 22, 1982 document submitted to the Committee. In fact, we believe that deposit legislation may only temporarily slow the growth of sales. For instance, beer sales continued to grow, although at a slower rate, during the first year of the Maine and Oregon deposit laws. Full growth was resumed thereafter. Slight declines in beer sales in Vermont, Michigan and Connecticut in the first year were reversed thereafter. (1980 study by the Stanford Environmental Law Society)

There is no doubt that deposit legislation will cost retailers money for handling and storage costs. Distributors who receive the empties from the retailer will have increased transportation and labor costs. These costs are more than offset as follows (using sales figures supplied to the Committee by the New Jersey Food Council):

Experience in deposit law states indicates that about 90% of all beverage containers sold will be returned for deposit. Therefore, 10% of all deposits are never claimed. Distributors realize this "windfall" deposit income. Based on annual sales of 3.5 billion containers, that means that deposits on 350 million containers are never claimed. At five cents a deposit, that gives the distributor unearned income of \$17.5 million; at ten cents, the distributor gets \$35 million.

Distributors also receive the income derived from the sale of the empty containers to recyclers or producers for manufacture into new beverage containers. We estimate that the average value of an empty beverage container is one cent. The sale of the empties which finally are returned to the

distributors (90% of all containers sold equals 3.15 billion containers) will earn the distributor \$31.5 million. Distributors will also invest their "held deposits" - those deposits held continuously, since a certain number of containers are "out" at all times. We estimate that this investment income would be as much as several million dollars. The total income for the distributors is \$49 million (\$17.5 million from unclaimed deposits, plus \$31.5 million from sales of returned containers) with the five cent deposit, and \$66.5 million (\$35 million from unclaimed deposits, plus \$31.5 million from sale of returned containers) with the ten cent deposit. Each figure should be increased based upon the interest earned from the "held deposits".

Several of the proposed Bottle Bills require that retailers receive a handling charge of 20% of the deposit charged for a container. That is, if the deposit on a container is five cents, when the retailer returns the empty, he or she would get the five cents, which is paid to the consumer, plus one cent (20% of five cents), or, if the deposit is ten cents, the retailer would get ten cents for the consumer, plus two cents (20% of ten cents). On an annual basis, retailers would be paid \$31.5 million (one cent times 3.15 billion containers returned) if the deposit is five cents, and \$63 million (two cents times 3.15 billion containers returned) if the deposit is ten cents. This handling fee reduces the retailer's cost by one or two cents per container. We believe that this fee will more than compensate a retailer. It should be noted that handling fees are paid to a retailer for all empties returned by a retailer to a distributor, yet a good part of the retailer's costs related to a deposit law are only one-time expenditures for establishment of the store's return program.

After payment of the handling fee to retailers, distributors are left with \$17.5 million (\$49 million of distributor income minus \$31.5 million paid to retailers) if the deposit is five cents, or \$3.5 million (\$66.5 million of distributor income minus \$63 million paid to retailers) if the deposit is ten cents. Distributors also have the interest of their investment of the "held deposits". We think that this "left over" money will pay for any costs incurred by the distributors (such as transportation and labor). Therefore, there should be no costs incurred by the retailers or distributors. There should be no costs passed through to consumers in the form of higher prices.

There is one final point I would like to make. As we all know, New York State just passed mandatory deposit legislation. Before he signed the Bottle Bill and vetoed the proposed Litter Tax, New York Governor Carey read a report on the benefits and costs of mandatory deposit legislation for New York prepared by his Office of Development Planning. It is a very thorough and enlightening report and I urge every member of this Committee to read a copy. I feel the time has come for the Governor of New Jersey to instruct his staff to prepare such a report, and I call upon Governor Kean to begin a study to determine the benefits and costs of mandatory deposit legislation for New Jersey.

Thank you for the opportunity to address this Committee today.

ASSEMBLYMAN McENROE: Thank you very much, Mr. Willinger. Are there any questions? I do not have any.

We'll now move along and call Charles Weiler, Camden County Environmental Agency. Is Mr. Weiler in attendance? Mr. Willinger, if you will, may we have a copy of your testimony for the Committee?

Is there anyone to represent the Camden County Environmental Agency? The record will indicate that they were listed to offer testimony and they have apparently chosen not to at this time.

We will now move to Mr. Marshall. Greg Marshall, representing Hunterdon County Park System.

We have Mr. Charles Giordano, Teamsters Local 125. Mr. Giordano, I'd like to welcome you to our hearing, and I would ask you to limit your comments, if you will, and to synopsize your testimony. We'd appreciate it as we have a considerable list of people who have yet to testify.

(Charles Giordano - not in attendance)

G E R A L D N E L S O N: Yes, Mr. Chairman. Before we go on, my name is Gerald Nelson and I am taking the place of Greg Marshall. Greg Marshall could not be with us today, but I am Assistant Director of the Monmouth County Park System, and I'm here representing the New Jersey Recreation and Park Association.

I am here today on behalf of the Association to testify in favor of Assembly Bill #78, entitled "An Act Authorizing the Regulation of Beverage Containers by the Department of Environmental Protection".

Litter is a very serious problem in our public parks and recreation areas today. Litter, in the form of bottles and cans, makes up 50% to 90% of our total trash collection in New Jersey parks. Unlike paper and cardboard, which gradually disintegrate in sunlight and rain, beverage containers remain until physically removed. Beverage containers are among the least degradable portions of litter, and unlike paper and cardboard containers, 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 highways exit ramps are places where container litter is especially heavy and particularly offensive.

A highly hazardous element of beverage container litter is broken glass. At Monmouth County's Seven Presidents Oceanfront Park in Long Branch, the only beachfront park operated by a county in the State, glass litter is one of the most serious problems, constantly presenting a potential health hazard. It has been for reasons of litter reduction alone that most can and bottle bill states have enacted their container deposit laws. According to a 1980 report by the Comptroller General of the United States, "the Maine Department of Conservation claims that beverage container litter on Maine roadsides has declined 69% to 77% since the bottle bill was implemented, while total litter by item count has dropped 34% to 64%. Very few containers found on the roadsides were deposit containers. If we exclude no-deposit containers from the analysis, the decline in container litter 96%. Maine citizens for returnable containers agree with an official of the Maine National Wildlife Federation that the bottle bill has reduced solid waste volume by at least 6%, observing that within four months of the law's effective date, municipal officials noticed a significant decrease in the volume of solid waste going into landfills

In 1978 Michigan became the first major industrial state to require a deposit on all beverage containers. The Comptroller General's report points out one very significant result of the 1978 law: litter from beverage bottles and cans in Michigan dropped 87.4% the year after the deposit law took effect, and more than 90% of the containers sold were returned for a deposit.

Michigan, Vermont, Maine, Oregon, Iowa, Delaware, Massachusetts, and our neighboring state of New York have recognized the economic, environmental and social value of returnables. Experience from these states 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. Without this legislation, New Jersey will continue down a littered path that threatens the future of our parks and a \$2 billion a year tourist industry.

I have one last comment. No fewer than 10 county and 137 municipal governing bodies have gone on record in support of mandatory container deposit legislation from the State. The New Jersey Recreation and Park Association urges the support and passage of a beverage container deposit law.

Thank you.

ASSEMBLYMAN McENROE: You're from the County of Monmouth?

MR. NELSON: Yes, I am.

ASSEMBLYMAN McENROE: And you're representing Hunterdon and an Association of State Park Systems?

MR. NELSON: I am representing the New Jersey Recreation and Park Association, which is the official association that is representing all recreation and park segments in the State.

ASSEMBLYMAN McENROE: Is that an officially sanctioned recreational organization?

MR. NELSON: Yes, it is.

ASSEMBLYMAN McENROE: Thank you. We really appreciate your coming before us, and we would like our Committee Aides to have a copy of your testimony.

MR. NELSON: Thank you very much.

ASSEMBLYMAN McENROE: Is Mr. Giordano here, representing Teamsters Local 125, here?

Is there anyone here representing the Upper Raritan Watershed Association?

Mr. Lawrence McGinley, Teamsters Joint Council No. 73? Is there anyone representing the Teamsters Union?

At the direction of the Chairman, I have got to move to some of the other people who attended the prior hearing and were not heard. Is Mr. Lloyd Curtiss from Pepsi Cola Company here? We have another gentleman's name also indicated as possibly testifying on behalf of Pepsico, Inc.

L L O Y D C U R T I S S: Mr. McEnroe, I'm Lloyd Curtiss of Pepsi Cola Company, Pepsico, Inc. Corporative Affairs. My statement reflects many of the things that were said here today, which Bill Pearce --

ASSEMBLYMAN McENROE: Excuse me, may we have that for the record then?

MR. CURTISS: We at Pepsico and Pepsi Cola Company oppose all of these restrictive measures. I would like to take my time, if it would be agreeable to you and the Committee, and give it to a fellow who has come a long way --

ASSEMBLYMAN McENROE: Is he here today?

MR. CURTISS: He is here. His name is Bill Yonush, and he is the President of a glassblower's plant that was affected by this law.

ASSEMBLYMAN McENROE: Thank you, Mr. Curtiss. We'll now invite

Bill Yonush to offer testimony before the Committee. Mr. Yonush is President of Local 31 Glass Bottle Blowers Association AFL-CIO. Mr. Yonush, again, if I may ask you to capsulize your testimony, we would be most appreciative.

W I L L I A M Y O N U S H: Yes, Sir. My name is William Yonush, and I am the President of the Glass Bottle Blowers Association Local 31 out of Dayville, Connecticut. I'd like to thank the Committee for allowing me to give this testimony today.

I have heard a lot of testimony here today about the bill that is before you right now, which calls for a non-refillable container and which is the same container that is presently being made in the State of New Jersey.

The bill that is enforced in the State of Connecticut also calls for a non-refillable container, and the legislators there were told that by eliminating the refillable, certified container that our industry would not suffer any job losses. That is not true. I represented 1,300 members until 1980 and right now, I am below 900 people. The Glass Container Corporation, which is the corporation that I work for, has shut down a plant in Parker, Pennsylvania and transferred those orders in 1981 to the Glass Container Plant in Dayville in hopes of keeping that plant in operation. We were notified last month that the Glass Container Corporation is now shutting down the Marionville, Pennsylvania plant and is transferring those orders to the Dayville facility to keep that plant in operation.

The testimony that was given here today by people like the Sierra Club, that say that jobs are not going to be lost, basically is true. It is not their job that is going to be lost; it's our jobs -- the people who are sitting in this audience today -- these are the people who are going to be affected. I would ask this Committee to look very, very hard at what has happened in the State of Connecticut. The Sierra Club also testified that -- the one woman who was up here -- she had gone through all the bottle bills of states that had bottle bills, except for Connecticut. She should have taken a real, hard look at Connecticut.

According to the Department of Transportation, on Connecticut highways -- they expended 42,000 man-hours in 1979 to keep our highways clean. In 1981 the Connecticut Department of Transportation expended almost 80,000 man-hours to keep the highways in Connecticut clean. The bill is not working in Connecticut and is presently going to be considered for repeal, which we are going to push very hard.

I have some figures that I am going to give to the Committee regarding the jobs that have been lost in my plant. I have 326 people right now who are permanently unemployed and I have about 280 people who have periodic layoffs that range anywhere from 3 days to 3 months. The total loss to our plant -- of the 326 permanent employees, an area that has an unemployment rate of 18% -- is experiencing \$118,000 a week in lost income. It was due to a bill that said there were not going to be any jobs lost in the State of Connecticut.

The bill in Connecticut also had what they called the "jobs amendment", which is a job dislocation allowance, and I'm told that the bill in the State of New Jersey also has a job dislocation allowance. The job dislocation was put on that bill because they said there were not going to be any jobs lost, and the legislators felt that there was no problem in passing it.

In 1981 Governor William O'Neal, who took over for the late Ella Grasso, came to the legislators and begged for repeal of the jobs amendment because the State of Connecticut was \$1.2 million in the "red" on that amendment alone.

I have newspaper clippings which I will submit to your Committee that verify exacting what happened in the State of Connecticut. And for these people here - the Sierra Club, the League of Women Voters, and other environmentalists -- if they can honestly sit here and say that they're not taking away our jobs, they're wrong. They're saying that the container made is going to be the identical, same container presently being made. That is possible, but the only problem is, when it reverts to a plastic container and the glass container is eliminated from the shelves, which is basically what is happening in Connecticut now -- you can buy a 32-ounce bottle of glass, but you will not find a two-liter bottle of soda that is not plastic in the State of Connecticut. Other than for a returnable, refillable Coke bottle, they are now going into the half-liter, plastic bottle, and they are now going in full force with a one-liter plastic container, which will virtually eliminate the glass container from the shelves as far as beverages are concerned.

Until 1980, production at our plant was based on 95% of sodas and beers. Into 1980 we shut three machines down. We went from a thirteen machine operation to a ten machine operation. We have not made a beer bottle in almost two years. Our soda capacity has gone from 95% of our business to 30% of our business. And, again, this is a non-refillable bill in the State of Connecticut.

I'm urging you -- don't do to the workers in this State what the State of Connecticut did to the workers in our state. Thank you.

AUDIENCE: (Applause)

ASSEMBLYMAN McENROE: The Chairman has again asked me to remind the audience that your applause on behalf of particular testimony has no impact on the deliberations of the Committee, and we would ask you as a courtesy to refrain from such conduct. Thank you.

Mr. Yonush, I have a question. You have raised an interesting point regarding the non-refillable bottle and the fact that current legislation in Connecticut contains that provision and it still has had a reduction in the work force capacity of the glass bottle industry in the state. But, then you commented that the plastic industry is indeed other competition that you must contend with. Is that a fair statement?

MR. YONUSH: We have to contend with plastic, yes.

ASSEMBLYMAN McENROE: Do you think the plastic industry has as large an impact on the reduction of your union forces as the imposition of this current deposit legislation in the state?

MR. YONUSH: No, Sir. The reason why is -- and I have met with a lot of people from the retail stores, the store owners and the package store associations, the Food and Commercial Worker's Unions -- and the only reason why they went from a glass container to a plastic container was because the people have to bring back the bottles and the cans, and they wanted something that was going to be lighter. They said that this was the main reason and the only reason why they went from a glass container to a plastic container. It made it easier on the consumer to return these things. Again, they are not recyclable.

ASSEMBLYMAN McENROE: So, under the Connecticut law, there is no deposit

required on plastic containers?

MR. YONUSH: There are deposits on plastic containers of any beer or soft drink sold in the State of Connecticut, regardless of the package. It has to have a deposit on it.

ASSEMBLYMAN McENROE: It has a deposit also?

MR. YONUSH: Yes, Sir.

ASSEMBLYMAN McENROE: Thank you. Are there any questions? Mrs. Ogden?

ASSEMBLYWOMAN OGDEN: No.

ASSEMBLYMAN McENROE: If there are no questions, we appreciate your testimony. Thank you very much.

We now have indicated -- Ruth Fisher, Citizens Association for the Protection of the Environment. Miss Fisher, I think from the title of your organization that you represent a position in favor of the mandatory container deposit legislation. Is that correct?

R U T H F I S H E R: It is correct, and our statement is very brief.

ASSEMBLYMAN McENROE: If you will then, please make a brief remark, and it will be a part of our record. Thank you.

MISS FISHER: My name is Ruth Fisher and I represent C.A.P.E., a Cape May based environmental group. Simply, we support: return, refill, no throwaway, reward for recycling. No refill is nonsense. The loss of jobs cry is wolf. Likely, there will be more jobs with refill. There is no proof jobs will be lost permanently.

Land use: This is an issue that hasn't been discussed here today. Glass is a land use issue, not a litter issue. Land is not a returnable, renewable resource. Glass, in a sense, is.

Those who cry that their jobs will go are not looking beyond their noses. Once they use up their backyards for dredging up the sand, about year 1990 -- where then their jobs and their homeland?

Shame on Congressman Hughes, on Hurley and Muziani -- they presented no studies to back up their claims and insight the workers that their jobs would be lost.

Where are the fabulous craftsmen within the glass industry that could make the bottles that could be returned and reused until they are broken? Why are beer and returnable bottles cheaper today than throwaways in this State?

I would also like to address something Senator Hurley said earlier today. He stated that seven municipalities in Cape May had curbside pick up. I drove over to his office to check on that just an hour ago. Since he is the P.R. man for the Cape County MUA, as well as a State Senator, which represents a severe conflict, as far as I'm concerned --

ASSEMBLYMAN McENROE: We ask you not to comment on positions that you may take that border on political comments. Please confine yourself to a review of the matters relating directly to the bills. Thank you.

MISS FISHER: With regard to this remark, when I checked on it, one of the municipalities, which was apparently used, was my own, Dennis Township. There is not curbside pick up in Dennis; in fact, there is no pick up in Dennis. Yesterday I took my own garbage to the dump. The program there is not working well. There are men scavenging glass bottles among the debris. There were piles of debris as you enter which you should throw your cans into if you had presorted.

When there is no reward, it won't work. Thank you.

ASSEMBLYMAN McENROE: Thank you very much for your comments, Miss Fisher. Since there are no questions, we'll call Mr. Dan O'Connor, Cumberland County Conservation League. (Not present)

Mr. Steven Hanisko or Mr. Raymond Hogan from the Continental Can Company? (Not present)

Then we have a gentleman named Kent Brown from the Anchor Hocking Local 157. If you will, we would like a statement from you, and hopefully, your testimony will be just a few sentences since I believe we can anticipate your comments.

KENT BROWN: I understand our time limitation, and I'll try to make my comments brief.

I've gone to two hearings to comment to the Committee on our position, and I would like to just take a minute to do that.

ASSEMBLYMAN McENROE: We have your statement here and we have resolutions attached to it from various townships in both Cumberland and Salem Counties.

MR. BROWN: In summary, we oppose the deposit legislation very strongly. We represent 750 employees, many of whom are here today. We pay taxes in the neighborhood of \$600,000 a year and we have a payroll in excess of \$20 million.

We were the second recycler in the State of New Jersey, as far as glass redemption was concerned -- redeeming of used glass containers -- has been referred to today. We are doing our part as a company, our employees want to keep their jobs, and we want to keep operating in the State of New Jersey.

ASSEMBLYMAN McENROE: Thank you very much.

Mr. Brown from the Local 157, Anchor Hocking Corporation? I had better allow you to make your comments, Mr. Brown. You have the floor for just the statement, Sir.

STANLEY BROWN: I'm Stanley Brown, member of Local 157 of Salem, New Jersey. I've heard a lot of comments concerning throwaway bottles and the kind of litter they cause in states like Vermont, Maine, and so forth. But, I asked a question to myself and now to you: How many people use Vermont or Maine as a corridor state like they do in New Jersey? New Jersey gets a lot of its throwaways from people who are just passing through the state.

I have been working for Anchor Hocking for 34 years and my wife has been working for them for 33 years, 77 years altogether. Evidently it is a very stable and substantial industry in the State of New Jersey. Most of the ware we make is used in other states and we export most of what we make. We make 14% of all the glass containers that are made in the United States. Instead of legislating that type of industry out of the state, we should be legislating it in the state.

I appreciate the opportunity to make these comments, and I'm sorry I had to be so brief. Thank you very much.

ASSEMBLYMAN McENROE: Thank you, Sir.

Jean Clarke, Montclair Recycling?

JEAN CLARKE: My name is Jean Clarke and I am the volunteer coordinator of Montclair's recycling program. This is a program which has received a number of awards on both state and national levels for a successful solution to many practical problems involving community-wide recycling efforts. I am also a member of Essex County Solid Waste Advisory Council and I participated in the formulation of the State Recycling Plan. Particularly, it deals with the methods of collecting

recyclable materials. One of the prime strategies to reach the goals set forth in the plan is the establishment of multi-material curbside collection programs, such as we operate in Montclair. For this reason, I did an analysis to see what affect beverage container deposit legislation would have on our program, and I want to share these results with you.

Montclair currently recycles about 80% of the town's newspaper and 50% of its glass, which adds up to 11.5% of the refuse. We employ eight people in the program, and this year's expenses will run close to \$135,000. These expenses will be covered by income from the sale of materials. This year the town will also pay a recycling surcharge of about \$10,000, but under the Recycling Act, Montclair should receive a municipal recycling grant which will more than offset this expense.

If beverage container legislation is enacted, we anticipate that our glass collection would be cut almost in half, and aluminum collection would be reduced to a quarter of the current level. This would result in a 17% reduction in total tonnage. Both of these items are bringing high prices, so a 17% reduction in tonnage would cause a 26% reduction in income.

Collection expenses due to mileage and vehicle maintenance would remain substantially the same, however, although we might be able to eliminate one of our eight employees. A 26% reduction in income equals the wages of almost three employees, so in order to continue the recycling program, we require a budget appropriation to cover the cost of the two employees whose wages could no longer be paid by proceeds from the sale of materials. I have given you a cost analysis so that you can understand how I arrived at those figures.

Another point to consider is that the Recycling Act is structured to encourage municipalities to expand their recycling activities to include a variety of materials rather than concentrating almost exclusively on newspaper. So, recycling grants in the second year of the program will be given only for increases in tonnage in three separate categories -- newspaper, glass, and other materials. In Montclair's case, it is unlikely that we could affect a substantial increase in newspaper collections since we are close to saturation point now -- 80%. We do have an opportunity to increase collections in the third category of other materials, and, of course, we will try to do that with or without beverage container deposit legislation. Our main hope for a grant will be the substantial increase in glass collection since we are now only at the 50% mark. I should note that this is more than could be expected from beverage container deposit legislation alone. With beverage container legislation, glass collection would drop instead, so a municipality making an outstanding effort to recycle would pay a \$10,000 recycling surcharge with little hope of recovery through the grant program. This is not the way the Recycling Act was supposed to operate.

Among those communities which passed resolutions in support of a bottle bill, you will find the Township of Montclair listed. But, that resolution was passed by a newly elected council over two years ago, a year before the Recycling Act became law and a year before that same council adopted a mandatory glass separation ordinance. Today the choice is different.

The bottle bill will also mean a \$35,000 appropriation by the municipal body to continue the recycling program. There is no question that our recycling program benefits the town. Out of this year's cost avoidance, due to the elimination of tipping fees, our collection and hauling expenses amount to some \$65,000.

I just want to add that I have been an environmentalist for many years and was originally in support of a bottle bill in New Jersey, but I have given the matter much thought and its effect on the recycling program, and I think it would be disastrous.

ASSEMBLYMAN McENROE: Thank you very much.

Edward Lloyd, New Jersey Public Interest Research Group? (Not present)

Ellie Gruber, League of Women Voters? (Not present)

This is not Ellie Gruber. Excuse me, who are you?

A N N A U E R B A C K: I am Ann Auerback.

ASSEMBLYMAN HOLLENBECK: Do you have a prepared statement?

MS. AUERBACK: I have a prepared statement as well.

ASSEMBLYMAN HOLLENBECK: If you have a prepared one, rather than read through the statement, would you synopsise please?

MS. AUERBACK: I will leave my prepared statement with you and I will synopsise those comments.

ASSEMBLYMAN HOLLENBECK: Thank you.

MS. AUERBACK: I am Ann Auerbach, Natural Resources Director for the League of Women Voters of New Jersey. The League has, over the years, testified on many occasions in support of mandatory deposit legislation. At this time we are endorsing A-1753 because we believe it gives the most benefits to all who are involved in the beverage container industry. Studies by states with existing statutes demonstrate significant benefits in litter reduction and solid waste collection and disposal costs to local government.

Today, however, I would like to direct my testimony to one particular aspect of the current debate: namely, municipal recycling and mandatory deposit legislation. It has always been a strong position by the League that mandatory deposit legislation should and can exist parallel to, and in a synergistic relationship with, municipal recycling. If the goal of recycling is materials recovery and reduction of the solid waste stream, then mandatory deposit legislation should be a companion effort. The goals are identical.

There are many instances where the results of mandatory deposit legislation will exceed those of municipal recycling. For example, in Massachusetts, a state which has a recycling program with a high participation rate and with a regular public education program, it was concluded that a personal economic reward in the form of a refundable deposit is a much more effective means of removing soft drink and beer containers from the waste stream than a recycling program.

A deposit law will remove for recycling 90% of all beverage containers or about 300,000 tons per year from the municipal waste stream. This includes about 280,000 tons of glass or almost 5 times the amount of glass currently being recycled in New Jersey. It is extremely doubtful that municipal recycling programs could reach the above stated volume of glass for many years to come. There are currently only 16 curbside glass programs in New Jersey, and only 6 are mandatory. This is the same number that existed at the beginning of 1982, indicating a no-growth situation. These programs do not average even a 30% recovery rate for the glass available in their waste streams.

A fact sheet distributed by Owens-Illinois, Inc. projecting a decrease in recycling tonnage and net revenue under a deposit law for Montclair, New Jersey is seriously misleading. It fails to note that some 1530 tons per year of beverage

glass used in Montclair would be recycled through the deposit system. Although this would bring no revenue to the Montclair program, it would substantially exceed the amount of glass now being recycled and would impose no expense on the municipality for its collection. Furthermore, with only newspapers being recycled, the program would break even or show a profit as do other such programs in the State. Thus, it is clearly evident that one of New Jersey's best recycling programs can be enhanced by a deposit law. Certainly, mandatory deposit legislation need not force it to operate below a break-even point.

Another consideration in looking at mandatory deposit legislation and recycling should be collection costs. Separate curbside collection is more costly than the netted revenue. But communities without curbside collection have traditionally evidenced a low level of citizen participation. On the other hand, materials recycled through the mandatory deposit legislation are done so at no cost to the municipality and are usually taken to a store or a redemption center where the consumer purchases additional items. By removing these materials from the municipal waste stream, taxpayer expenses are reduced for solid waste collection and disposal and for litter pickup.

In concluding our testimony, the following summary statements are offered for your consideration:

- All portions of the State may never be served by recycling as they could be by mandatory deposit legislation.
- The success of municipal recycling should be enhanced by mandatory deposit legislation and not hampered by it.
- The financial success of municipal recycling is clearly not dependent upon recycled glass.
- Mandatory deposit legislation provides an economic incentive not to litter and an economic reward to someone else to pick up a littered container.
- Only mandatory deposit legislation, and never voluntary recycling programs, will remove 90% of the soda and beverage containers from the solid waste stream.

The League thanks you for this opportunity to present our position and urges you to favorably release Assembly Bill A-1753 from the Committee.

ASSEMBLYMAN HOLLENBECK: I have a question. Maine and Vermont have bottle bills, and one can't help but notice the difference in roadside litter. We know that they have deposit legislation and we notice the stark improvements of the roads. However, we also know that beverage containers are only a small percentage of roadside litter. Why is it that we don't see the newspapers, glass, plastic, etc. in Maine and Vermont like we see here in New Jersey. Where is that roadside litter going?

MS. AUERBACK: I don't know where it is going. It might perhaps be that by removing their bottles and cans, they are removing the least biodegradable material from the roadside. Some of these other materials you are speaking of are certainly more biodegradable than bottles and cans and plastics that are used for beverage containers.

ASSEMBLYMAN HOLLENBECK: The curiosity of -- is whether there is an increase of roadside litter pickup by the various State Highway Departments or groups. That is why we don't notice it. It is something that you have to notice, that there are no beverage containers, but there isn't also any of the other roadside litter. The bottle bills would potentially take care of roadside litter

but would, again, leave the other stuff there. I was just curious to know if you knew the answer why.

MS. AUREBACK: I've given you my best answer.

ASSEMBLYMAN HOLLENBECK: Does anyone else have a question?

ASSEMBLYMAN McENROE: I have a question. Ms. Auerback, has the League of Women Voters chapters throughout New Jersey taken a unanimous position in favor of mandatory container deposit legislation?

MS. AUERBACK: The League's position comes under a solid waste position which was derived after a study on solid waste problems in New Jersey about 10 years ago. The League of Women Voters of New Jersey is on record opposing the Recycling Act. Our reasons for opposing the New Jersey Recycling Act was primarily because it did not deal with the problem of beverage containers through mandatory deposit legislation.

ASSEMBLYMAN McENROE: And all of your chapters throughout the State are aware of your committee's position regarding beverage container legislation?

MS. AUERBACK: Yes, they are.

ASSEMBLYMAN McENROE: Has there been any comments contrary to the position you have taken by other members within the League?

MS. AUERBACK: Yes, there are. The League is an open forum. We derive our positions through concensus, which is a statement of the feelings of the organization, and there are, inevitably, minority viewpoints.

ASSEMBLYMAN McENROE: Has there been a minority report issued on behalf of that position?

MS. AUERBACK: I do not know that there is one on record. There are certainly no minority viewpoints.

ASSEMBLYMAN McENROE: All right. Thank you.

ASSEMBLYMAN HOLLENBECK: Thank you.

Is Mr. Steven Hanisko here from Continental Can? (No response)

Or Raymond Hogan? (No response)

John Trontis, Union County Department of Parks? (Not present)

Murray Fox, Recycling Enterprises?

M U R R A Y F O X: Thank you, Mr. Chairman and members of the Committee. My name is Murray Fox, President of Recycling Enterprises, Inc., an intermediate processor of glass. Our main office and plant is located in Oxford, Massachusetts, where we began operations in 1974. However, we expanded our glass processing facilities recently with two additional plants located in New Jersey: one in Hillside which opened in October, 1981, and our Berlin plant which has been in operation since October, 1979.

Our operations include purchasing scrap glass from municipalities, as well as from industries. We perform a complete service using our own fleet of trucks and roll-off containers.

Our containers are placed at transfer stations or places of business for the collection of scrap glass. When the containers are full, they are hauled to one of our plants where the glass is processed into cullet (crushed glass, free of contamination). This material is then sold to companies which use this cullet in the manufacture of their products; therefore, saving precious raw materials.

In addition to our container service, REI has a large over-the-scale

trade where individuals, groups, organizations, senior citizens, etc. bring in glass collected from taverns, restaurants, picked up along the highways, etc. Payments for such effort helps fund organizations or subsidize incomes to individuals.

In the general municipal solid waste stream, approximately 9% is glass. Of this 9%, 45% is in whiskey bottles, peanut butter jars, condiments, champagne, etc., while 55% is in beverage containers.

In states where a bottle bill is in effect, it is costing the cities and towns revenue in order to recycle due to the lack of volume, and it is necessary to continue recycling programs in order to preserve landfill space which is rapidly diminishing.

In New Jersey, we already have a bill voted in by a majority of the legislators supporting a recycling program, which has grown ~~tremendously~~ in the past six months and has potential for further growth given the time. I feel strongly that this program has only just begun, and needs our support to fully develop. If a bottle bill is put into effect, New Jersey's admirable recycling program will become only a statistic.

Look, for example, at what has happened in two states where REI services customers: In Connecticut, prior to the bottle bill, we were servicing some forty programs. Today we are doing only eight. In Maine we are presently servicing one recycling center, combining five surrounding towns. It is costing them money for us to pick up their recyclables due to lack of volume. Also, due to poor participation and lack of enthusiasm in "half" programs, recyclables often end up at the landfills.

In order to prevent this from happening in New Jersey, and if you feel that new legislation is needed at all, I strongly recommend instituting Mandatory Source Separation throughout the State.

As a Vice President of the National Recycling Coalition, I have spoken with officials throughout the country who have expressed admiration for the New Jersey Recycling Bill as the "best in the U.S."

Let's not defeat the purpose of the Recycling Bill. New Jersey should put its efforts behind its already established Office of Recycling, and not tax its citizens with a bottle bill. Thank you.

ASSEMBLYMAN HOLLENBECK: Do you have any questions?

ASSEMBLYMAN McENROE: No, I do not.

ASSEMBLYMAN HOLLENBECK: Thank you very much.

Robert Cassel, Gloucester County? (Not present)

Sheryl Vorberg, Cumberland-Salem Central Labor Council? (No response)

Bill Yonush, Texaco? (Not present)

Harold Jones, Surfside Beverage? (Not present)

I'm sorry, who are you?

S H E R Y L V O R B E R G: I'm Mrs. Vorberg, and I want you to know, you had my attention all day. Could I have just a little bit of yours?

ASSEMBLYMAN HOLLENBECK: Who are you representing?

MRS. VORBERG: The Cumberland-Salem Central Labor Council.

ASSEMBLYMAN HOLLENBECK: Okay, very good.

MRS. VORBERG: First of all, I would like to go on record to make sure that everyone understands -- a lady from the Sierra Club said that Charles ~~Marcianti~~

had found one of these forced deposit bills acceptable. That is not so. The AFL-CIO has unanimously come out in opposition to these bills. The lady from the League of Women Voters -- I belong to the League of Women Voters in this area and we do not support this legislation.

ASSEMBLYMAN HOLLENBECK: I could never agree that the League of Women Voters would have 100% agreement.

MRS. VORBERG: We most definitely do not support this.

I am grievously concerned with job losses, unemployment, and the impact this proposed legislation could have on our already depressed economy. The Department of Labor awards us, Cumberland County, with the fifth highest unemployment rate in the nation - somewhere around 17.8%. I do not wish to make light of our situation, but I would like to discuss another aspect of this issue.

Retired New Jersey Senator James Cafiero said on numerous occasions, "Each of us began our conscious lives by being exposed to the basic three "R's"; Mankind has reached that stage in the history of the world that three more "R's" be added - reclame, recycle, and reuse."

This State has passed recycling legislation that can increase our recycling efforts by 20%, saving approximately 1400 acres of landfill space each year.

In the aggregate, New Jersey's economy will benefit from some \$24 million annually in jobs, taxes and profits created through the implementation of this legislation. For each 1.8 million tons of material recycled, some 2,000 to 4,000 new jobs will be created within the State. Types of jobs include collection, sorting, preparation of materials, jobs in the production process, necessary administration functions.

The projected goal for 1986 is 1.3 million tons recycled annually. In 1980 we recycled 445,000 tons; to reach this 1986 goal, we are going to have to triple our efforts. Interestingly, the City of Woodbury has already exceeded this goal. They recycle 26% of their solid waste in a voluntary program. At the present time we have 180 landfills operating within our State; 30 of these handle the bulk of all solid waste.

How is all of this going to be paid for? A recycling fund has been established that will collect an estimated \$6 million a year by placing a tax of 12¢ per cubic ton on all solid waste dumped. 45% of the monies collected will be made available to municipalities in grants to get their recycling programs started. Once in operation, the resale of recycled materials should actually make money for the municipality.

Placing a forced deposit on sodas and beers will only serve to fragment and undermi this piece of legislation, which you have already mandated in our State -- the Recycling Act of 1981. The average family's trash has increased by 200% since 1960 due to two major factors: convenience foods and attitude changes. Because of increases in solid waste levels, population growth, using up of landfills, pollution of our environment, and depletion of our natural resources, it is imperative that we make this program work. Two very important factors in the success of this program are total citizen participation and total return of all trash for recycling. At the present time the average family's glass, whether it is soda, beer, ketchup bottles, spaghetti sauce jars, mayonnaise jars, or whatever, is going into their weekly trash flow and can be recycled back into the

system as it should be. The State of New Jersey has mandated recycling in every county and municipality. This comprehensive program is designed to pay for itself through the sale of recycled materials. Certainly, glass will play a large role in the financial success of the program as cullet is a valuable commodity worth \$20 to \$40 a ton at current prices. To take this large financial chunk out of the recycling program would force the cost back on the taxpayer. You remember him -- he's the consumer who will also be paying the forced deposit should you pass it.

Consider another aspect. The retailer is going to need added storage space to hold this inventory of unsanitary bottles once they are returned, and probably a clerk to handle them, working at the minimum hourly wage with a very limited benefit package, if any at all. Certainly not what the individual who was forced out of at the glass house was making. As costs increase, the retailers are going to be forced to seek an alternative package -- the paper bottle. With the demand for glass decreasing, the price of all glass, not just soda and beer, will be forced up. Glass is a low profit, high volume industry. When volume drops, prices must increase to retain even a low profit level. In recent years, the glass container industry has been hard-pressed by cans and plastics. We all have a visual picture in our minds of bottles and cans on the roadside. That picture is from the past. Today, because of new packaging and marketing techniques, it is, in fact, the can which has replaced the glass bottle on the roadside. Walk up to any vending machine to buy a soda and more than likely the beverage container will be a can.

By the way, let's look at this for a moment: Who is actually doing the littering? The State of New Jersey ranks tourism as one of its primary industries, and rightly it should. From Cape May to New York City, our beaches and summer resorts attract people from all over the country. These transients and the "night partiers" are the people leaving trash and beverage containers on the roadside, not the mother who does her weekly shopping at the supermarket. Passage of this legislation would raise the price to the average family of what, in many instances, is considered luxury items. It will not solve the problem in that the transients and "night partiers" will still be out there littering. After all, the individuals who litter are not going to gain a sense of social consciousness just because of the forced deposit. And what about breakage? Is the retailer going to accept broken bottles, or is this another cost to the consumer? What about the small independent retailer when the local scout troop decides they should bankroll their fund raising drive? He has neither the storage space for bottles from all over God knows where, the help to handle the bottles, nor the working capital to tie up in refunds.

Glass is an energy and labor intensive industry. Although there will be labor cuts, the energy expense is only going to increase. At the present time, the Atlantic City Electric Company is seeking a 37% rate hike. This increase is going to have to be passed on to the consumer, not only in their monthly utility bills, but in higher prices for all goods they buy.

In conclusion, we have had deposit bottles in the past. They were not economically feasible then, and they are not now. They will never be convenient. Most important, they are not the solution to the litter problem. They will only serve to create numerous other problems. The responsible answer at this point in time is to concentrate our efforts on developing our recycling program.

Finance and build recycling centers so that they have the means to become self-sufficient. As for litter, have proper trash receptacles at roadside stations with regular pickups. The key is to educate our family, friends and co-workers to reclaim, recycle and reuse.

ASSEMBLYMAN HOLLENBECK: Thank you.

Harold Jones, Surfside Beverage?

H A R O L D J O N E S: Mr. Chairman, Members of the Committee, you have already heard Bill Pearce present the profile of the soft drink industry in New Jersey. I'm here representing Surfside Beverage Corporation, which is a medium-sized bottler. I am not going to repeat the statistical data that has already been presented to you by other speakers; I only want to refer to a couple of basic facts.

The distribution system for soft drinks is totally dependent on productivity, as are all distribution systems. To force returns of empty containers back through this system will create cost penalties for us as the bottler and distributor, and also for the retailer. These costs ultimately must be passed on to the consumer. Any negative sales reaction to these increased costs from the consumer adds to the impact on productivity and efficiencies.

The soft drink industry has grown over the years due to the high availability level of our products. Soft drinks are sold and consumed in all types of retail outlets, industrial locations, schools and recreational areas. Many of these locations sell through vending machines and other types of refrigerated equipment. These outlets may not have the facilities or the desire to continue to make these products available if they are required to collect and redeem deposits on these containers. Loss of this availability of our products to the consumer would have serious volume impact on all bottlers.

Volume loss, productivity loss, and erosion of efficiency can erode years of growth and development overnight. It forces decisions to be made on consolidating production facilities and warehouse facilities, and ultimately to some, it means a greatly diminished position in the market, or in some cases, going out of business.

I can well understand the concern towards New Jersey's problem of litter and solid waste, and I agree that we must pursue the goals that are the objectives of the proposed forced deposits.

I hope that during the course of these hearings, the Committee will determine that these goals will be best accomplished by the New Jersey Recycling Plan and Act, which was passed by the New Jersey Legislature on September 9, 1981.

In this leadership role, New Jersey can continue to work toward a total solution, and a long-term, workable litter and solid waste program.

Thank you.

I'd be happy to answer any questions you may have.

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

Ted Pytlar, Essex County Planning Department?

James Ayrrer? (not present)

Robert Stewart, New Jersey Trails Council? (not present)

Harry LeQuier? (not present)

Ward Wettlin? (not present)

Gerald Nelson? (not present)

Daniel Adams? (not present)

Richard Bogard? (not present)

Ellen Nugent?

E L L E N N U G E N T: Thank you, Mr. Chairman and Members of the Committee for this opportunity to testify. I hope I can give you a different point of view because I represent the Mining Association of New Jersey. I'm representing Basillica Sand Producers today.

We, obviously, are opposed to the legislation which calls for the return of deposits on bottles. New Jersey is a leading state in the production of glass, and sand miners provide the sand which composes 70% of that glass. Needless to say, returning and refilling the glass bottles will severely reduce the supply of sand needed for the glass plants if the glass plants continue to operate in New Jersey. If the glass industry leaves New Jersey, it takes the sand market with it. South Jersey can anticipate serious unemployment problems, which would aggravate the 17% unemployment being experienced in Cumberland County right now.

New Jersey already has a recycling law, and it hasn't been allowed to run its probation period. We would hope that you would allow it to do that and have the report analyzed before any action is taken on returnables or refillables.

Glass constitutes only 17% of the solid waste in landfills. Thirty-three million pounds of glass were recycled last year by Owens-Illinois in their recycling plant. This cullet was used as 30% of the raw material in glass production. Thus, the glass disposal problem is not being ignored, and normal economic incentives are responsible for handling the problem at none of the horrendous costs to the consumer and the public that the systems that have to be innovated to carry out the bottle legislation would cost and precipitate. The natural economic incentives are taking care of the glass problem. The sand industry, on the whole, has a limited work force right now. The limited were working three to four days a week, and this is the peak time of the year. This is largely due to the depression in the industry that is caused by the depression in the construction industry. To pass these bills at this particular moment in New Jersey's economic history would really add to the stress on the struggling industry right now.

These economic arguments may sound self-serving, but if the entire employment picture is analyzed and is compared against the increased costs in initiating this bottle bill legislation, the completely speculative nature of the public good expected to be realized, will not surface. Basically, we will be seeing that we're having adverse effects on the economy of New Jersey.

Mining dollars are spent six times over in the ripple effect of our economy. Conversely, mining dollars lost are decreasing through the economy six times over. From a practical point of view, we know right now how many jobs we have in the sand and glass industry. We're really taking a chance that we are going to have unemployment as a result of putting this legislation through right now. My main point is that the timing is wrong considering the other economic stresses we are experiencing. Maybe we should wait and see what happens with the recycling and maybe some of these problems will help themselves.

Thank you.

ASSEMBLYMAN HOLLENBECK: Any questions? Thank you, Ellen.

David Hyson? (not present)

Skip D'Arcy? (not present)

Peter Carter, Resource Recovery Systems? (not present)

P E T E R C A R T E R: Mr. Chairman, Members of the Committee, thank you for allowing me to speak.

Let me give you a viewpoint of this problem from a commercial recycling operation. I am the President of Resource Recovery Systems, a company in Connecticut, that operates a recycling plant which was developed over the years to take mixed bottles and cans from the consumers or towns -- paint cans, aerosol cans, dog food cans, beer cans -- glass bottles of any type such as mayonnaise, ketchup jars, etc., all mixed together. We have developed a process to separate them into commodities and sell them to the various industries: glass industry, steel industry and aluminum industry.

I would like to tell you about one project as it is indicative of what is happening in Connecticut since we have had a bottle bill since January of 1980. The town of Groton, 41,000 people, found a landfill filling up quickly, and the representative town meeting in 1979 passed a resolution that after the first of January 1982, no more bottles, cans or paper could be placed in the landfill in an effort to save the landfill and reduce their solid waste costs. They passed the resolution in Summer of last year and they gave the Public Work's Director a quarter of a million dollars and told him to implement (over his objections). He built a 60' X 120' building, and after going through his bidding processes, he negotiated a contract with us to put a plant in that building and begin to process all of Groton's bottles, cans and paper. Several years before that plant got put in, Groton was recycling about 2 to 3 tons of glass and cans a month on a voluntary program. The contract we signed with them, by the way, required us to start operating on the first of July. We signed it on the first of April, and in three months time we had the plant installed and we were operating. In July 118 tons of bottles and cans came out of Groton. Over the past ten years, they have been pulling out some 25 to 28 tons of paper a month. In July 183 tons of paper came out of that town. The key words are mandatory legislation and curbside collections, which is what the town of Groton is doing.

We in Connecticut have been exposed to the bottle bill. My plant in Branford processes glass from distributors and also from communities. We are familiar with the aspects of the bottle bill, and my position has changed slightly since I have seen it in operation in Connecticut for the past two and one-half years.

If I had to summarize, I would say that the negative aspects of the bottle bill are:

- It is putting a great number of small companies out of business.
- It is certainly raising costs.
- It has not really made an impact on the solid waste problem.

Groton is an indication, and there is another city in Connecticut with whom we are about to sign a contract to do the same thing. We are also negotiating with two other cities.

On the other side, it has reduced bottle and can litter on the roads. Other than that, I would have to conclude that it is probably not worth the price we are paying for it. Thank you. I will leave copies of the legislation that the town of Groton passed and the type of literature that has been developed in the public relations and public education aspects of that program.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Sir.

John Tarditi? (not present)

Larry Knipple? (not present)

Walter Reubel? (not present)

C H A R L E S W E L T O N: Mr. Chairman, Members of the Assembly --

ASSEMBLYMAN HOLLENBECK: Will you synopsisize?

MR. WELTON: Okay. I'll try to do that, Sir.

I am Charles S. Welton, Assistant Manager at Kerr Glass Manufacturing Corporation's Millville, New Jersey Plant. I have been asked to read the following statement into the record on behalf of Kerr.

Kerr Glass Manufacturing Corporation is a major manufacturer of a wide variety of glass containers and packaging products. Kerr has nine glass manufacturing plants located in eight states, including our plant here in Millville. The Millville plant employs 1,200 individuals in the production of glass containers, most of which are non-returnable.

Kerr Glass Manufacturing Corporation appreciates this opportunity to share its views on the issue of beverage container deposit legislation and litter control with you and the people of New Jersey.

Let me begin by stating that Kerr is firmly committed to helping the State of New Jersey achieve its goal of litter control and solid waste reduction. Kerr has long appreciated the fact that recycling glass containers helps to reduce the municipal solid waste stream, conserves natural resources and discourages littering, and we are proud to be one of the nation's largest recyclers of glass bottles and jars.

Kerr believes that thoughtful measures aimed at controlling litter and reducing solid waste are long overdue. In fact, we applaud the State of New Jersey for its enactment of the New Jersey Recycling Act, which became effective on January 1 of this year. It is one of the most sensible and effective litter control plans enacted to date in the United States. Unlike any of the deposit laws which other states have adopted, the New Jersey Recycling Act addresses itself to the total litter and solid waste problem. Briefly stated, the New Jersey Recycling Plan's objective is to recycle all types of litter, not just certain types of glass and metal containers. Keep in mind the fact that litter is comprised of many things -- all types of bottles and cans, including food jars and cans, milk bottles, liquor and wine bottles and all other non-carbonated beverage containers, not to mention the millions of pounds of food waste, newspapers, cups, plastic and paper wrappings and much, much more. Yet, all of the proposed deposit bills now under consideration ignore this crucial fact. The proposed bills are aimed only at carbonated soft drink and malt beverage containers, yet reliable statistics indicate that these types of containers may represent as little as 12% of the nation's total urban street litter and less than 6% of post-consumer solid waste. It must be remembered that those statistics are national statistics -- and that New Jersey led the nation in the amount of glass containers it recycled last year. Given these facts, it appears quite clear that the proposed deposit legislation would, at best, have a very limited impact on the overall litter problem -- and, ironically, it would accomplish this goal by focusing on the very type of litter for which New Jersey has already found an effective and economically sensible method of control.

Kerr urges this Committee to compare the scope of the proposed bottle bills against that of the New Jersey Recycling Act and to consider very carefully just what additional good will be accomplished by the legislation now being proposed.

We also ask that you carefully weigh how much the people of New Jersey should be asked to pay, both in lost jobs and increased consumer costs, in order to enjoy the limited incremental benefits promised by such proposed legislation. Wouldn't those millions of dollars be better spent attacking the millions of pounds of litter that are not even covered by the proposed bottle bills?

But let's assume that the proposed mandatory deposit legislation will result in some further reduction of that type of litter. How many jobs should be lost to achieve that goal? How many million additional dollars should consumers pay in order to achieve that goal?

Let me briefly review with you some of the experiences which other states have had after they adopted forced deposit laws. Incidentally, all of those laws are quite similar to the proposed New Jersey legislation in front of you now. In each of the first six states which passed bottle bills, beer and soft drink prices are up, and in most cases, those prices have risen dramatically. These price increases seem to be the inevitable result of a regulation that requires every grocer to handle, sort, clean and store thousands of used containers. For example, in Michigan beer and soft drink prices have risen by an average of more than \$1.20 per case, in addition to the five-cent and ten-cent per container deposit costs. Within one year after Michigan passed its forced deposit law, the price of a case of beer in the neighboring states of Ohio, Illinois, Wisconsin and Indiana (all of which are states which do not have forced deposit laws) was found to be a minimum of \$2.00 cheaper and as much as \$4.00 per case cheaper than in Michigan. Similarly, the State of Connecticut has witnessed dramatic increases in the cost of beer and soft drinks since it passed a forced deposit law in 1980. In fact, by January of this year, the minimum price for a case of light beer had risen by \$4.00 in Connecticut since its deposit bill was enacted, again not including the \$1.20 per case deposit, and soft drink prices had also similarly skyrocketed. Perhaps that explains why the Connecticut Governor's office drove 75 miles across the state border into New York in order to purchase soft drinks for its Fourth of July party for underprivileged children in the very first year after enactment of its bottle bill.

Perhaps the people of New Jersey are willing to pay these costs in order to effect a modest reduction in litter. Kerr can not answer that question. Instead, we would simply urge the proponents of the forced deposit bills to calculate the true costs of the bills and to tell the voters what they are. After all, it is currently estimated that there are 146 million cases of soft drinks and beer sold annually in New Jersey which could be affected by the proposed bottle bills. If prices to New Jersey consumers go up by just \$1.00 per case as a result of these bills, then the people of New Jersey will be paying at least \$146 million to clean up a type of litter which the New Jersey Chamber of Commerce estimates would only cost \$8 million to clean up directly.

There are, of course, numerous other costs associated with all of the proposed forms of forced deposit legislation. Perhaps most significantly, it has been the experience nationwide that thousands of skilled workers in the container manufacturing industry and in the soft drink and beer manufacturing industries, as well as hundreds of workers in the industries which supply goods and services to the container and beverage industries, have lost their jobs as a result of forced deposit laws. While Kerr is currently unable to provide an accurate estimate of the number of jobs which might be lost at its Millville plant as a

result of the proposed legislation, it seems quite probable that many of our 675 employees who are engaged in the manufacture and shipment of non-returnable containers in New Jersey may find their jobs in jeopardy if this legislation is passed. The Glass Packaging Institute currently estimates that, depending on the type of legislation which is enacted, the State of New Jersey will lose at least 500, and possibly as many as 5,000, container manufacturing and teamster jobs. Ironically, when the State of Connecticut passed its bottle bill, the Connecticut legislature had anticipated some job losses and, therefore, it also enacted a compensation program to provide funds to employees who lost their jobs because of that bill. However, Connecticut dramatically underestimated the impact of their bill on the container industry and failed to anticipate that over 500 of such jobs would quickly be lost. When that happened, the compensation fund was rapidly exhausted and the compensation program had to be abandoned less than two years after its enactment.

A final irony concerning the job loss experience in other states took place in Oregon, the first state to enact a forced deposit law. There it was reported that, in the first nine months of 1979 alone, 45 recycling centers went out of business in the City of Portland. It is important to remember that the State of New Jersey has a thriving recycling business, as is evidenced by the fact that it led the nation in glass recycling in 1981, with 239 million pounds of glass bottles recycled and used to manufacture new bottles. Also remember that the New Jersey Recycling Act, which just became effective earlier this year, is aimed at encouraging and promoting the growth of recycling centers, not shutting them down.

In closing, let me reiterate Kerr Glass Manufacturing Corporation's commitment to recycling, litter control and solid waste management. The question before all of us is not whether solid waste and litter control is a good idea -- rather, the question is what is the least harmful and most cost-effective method of achieving that goal. Fortunately for the people of New Jersey, you have recently enacted a Recycling Act which we believe is among the most comprehensive and effective acts of its kind in the United States. It is far preferable to any of the proposed forced deposit laws. The New Jersey Recycling Act is aimed at reducing all forms of solid waste and litter, not just certain types of cans and bottles. The New Jersey Recycling Act will not result in New Jersey consumers paying millions more for beer and soft drinks. The New Jersey Recycling Act will not destroy New Jersey's booming recycling business; instead it will encourage even more recycling. And finally, the New Jersey Recycling Act will not force hundreds and perhaps even thousands of skilled workers in New Jersey to lose their jobs. For all of these reasons, Kerr urges this Committee to act in the best interests of all the people of New Jersey by refusing to support ineffective and costly mandatory deposit bills and by giving the New Jersey Recycling Program an opportunity to work.

Kerr Glass Manufacturing Corporation thanks you for the opportunity to be heard on this important matter.

ASSEMBLYMAN HOLLENBECK: Thank you, Mr. Welton.

Walter Reubel? (not present)

Robert Brune?

R O B E R T W . B R U N E: Mr. Chairman and Members of the Assembly Energy and Natural Resources Committee, thank you for the opportunity to testify before you today on Assembly Bill 78, the Beverage Container Deposit Bill.

My name is Robert Brune and I am representing TAX-PAC, the Taxpayers Policy Action Council. TAX-PAC is a newly formed organization of taxpayers and consumers concerned about the ever increasing cost of government services and united in an effort to demand more cost-effective methods of operation from government at every level. As one of its initial projects TAX-PAC is concerning itself with the problem of high energy costs and the potential of solid waste to provide a viable form of alternate energy. We are concerned with the problem of solid waste in a general sense, as well and in particular, with the continued emphasis on landfilling. We believe that a wiser State policy could be of financial and environmental benefit to everyone in a number of ways:

1. By recognizing solid waste as a commodity with potentially significant value, solid waste could be converted from a present municipal liability into an asset.

2. By supporting and improving on the State's new Recycling Act through assistance in market development.

3. By producing energy from solid waste, we could develop a viable form of alternate energy which could offer additional and lower cost energy to New Jersey industry and business.

4. By putting our solid waste to work in the following ways, we would be able to drastically reduce the size of our landfills and significantly enhance environmental quality by preventing this material from polluting our potable ground water supplies and other water resources.

For all of these reasons and more, TAX-PAC is opposed to A-78.

We are opposed to all beverage container deposit laws because we feel such legislation is like advocating bandaids as a cure for cancer. And we do have a cancer in our State that is eating away at the quality of our environment and eating away at everyone's pocketbook. This cancer is garbage -- more sedately termed solid waste. Our state produces an ever increasing quantity of it; more than 10 million tons in 1980 alone, which is up from 8.5 million tons in 1979. The proposed legislation under discussion would deal with less than 5% of that waste stream - 500,000 tons out of 10 million. TAX-PAC believes that there is already existing legislation that can deal with the problem more efficiently and we are prepared to suggest an alternative that we believe will create new businesses and more employment rather than destroying existing businesses and increasing unemployment.

The bill, in its preamble finds that: one, "single use of beverage containers violates fundamental precepts of environmental protection," two, these containers "constitute a significant portion of the solid waste stream, adding to already overburdened landfills," three, "these containers contribute to an ever-growing litter problem," and four, "that by recycling and reuse, energy and raw materials conservation will be enhanced."

The four areas mentioned in the proposed bill's findings boil down to two major problems that the Act attempts to address:

1. Elimination of a "significant" portion of the waste stream going to overburdened landfills.

2. Enhancement of recycling and resource conservation as a tool in

helping to solve the litter problem. We find that the narrowness of A-78 and its confinement to one specific segment of the packaging industry will do little, if anything, to achieve the bill's stated goals and will inflict a totally unnecessary hardship on many, many businesses and the people employed. The bill will also add a significant cost to consumers who will see little, if any, return for the added costs they will have to pay in many ways, as the impact of the bill works its effects on the bottling, distributing and retailing industries. In terms of trying to solve the State's very real and serious waste disposal and litter problems by the imposition of regressive legislation such as exemplified by A-78, the State should require a deposit law for newspapers, plastic and paper packaging and wrappings, and all the other myriad items that make up the total solid waste stream.

If this Committee believes that deposit legislation will really be effective in reducing the size of landfills and the amount of litter on our landscape, then why impose the burden on just a few selected businesses? Why not cover the whole panoply of bottles, packages, containers, wrappings and so on that make up a significant amount of the waste stream?

While describing A-78 as advocating bandaids to cure cancer, TAX-PAC believes conversely that its impact on affected businesses and the people employed will be the same as trying to cure cancer with massive doses of strychnine. The bill, in its findings, is explicit in the belief that there will be an adverse effect on business and jobs because it outlines proposals for "retraining and relocation of employees adversely affected by this program." Others at these hearings have spoken much more eloquently about the bill's negative impact on business and employment, but TAX-PAC would like to underscore this point and let you know we share this concern. We believe that the economic dislocations caused by this bill far outweigh any hope for achievements in the bill's stated objectives.

TAX-PAC does wholeheartedly support the goals as outlined in the bill's preamble and feels that there are other, more effective and less costly ways of achieving those objectives. The first way is to support, in every way possible, the New Jersey Recycling Act of 1981, which took effect in January of this year. This law, which is designed to develop and fund municipal and other local recycling and litter abatement programs, does a much more comprehensive job in attacking the very same problems enunciated in A-78. More importantly however, in addition to more comprehensively covering most items in the solid waste stream, the Recycling Act develops jobs rather than destroying them, builds new businesses rather than negatively impacting existing ones, and saves consumers money rather than adding to the consumer's burden. Under the capable hands of Administrator Mary Shiel and her staff in the Office of Recycling, the Recycling Act itself and Ms. Shiel and her staff have been the only two bright spots in the dismal decade of fruitless State actions in trying to solve our continuing problem of solid waste disposal.

Another alternative, and one particularly appropriate for this Committee on Energy and Natural Resources, is to recognize and capitalize on the energy inherent in our solid waste. There are approximately 4,500 BTU's in one pound of solid waste. In other words, one ton of solid waste contains the same energy potential as 1.4 barrels of oil. Let us consider once again the production of solid waste in this State in terms of its BTU content. 10 million tons! 10 million tons now dumped in landfills all over the State, causing all sorts of current

and potential problems with our water resources. Those 10 million tons have the energy equivalent of 14 million barrels of oil! If we can produce the same amount of energy from 10 million tons of garbage as can be produced from 14 million barrels of oil, and science, technology and existing facilities all say that we can, think of the conservation of natural resources that could be achieved. From the standpoint of our current economic and energy problems, with energy costs that have skyrocketed, and our continuing dependence on imported oil, the development of an alternate energy source that could save 14 million barrels of oil a year should be considered very seriously.

At present, construction costs -- it would take approximately 1.5 billion dollars to construct facility to handle New Jersey's annual production of solid waste. Whether that money comes from private or public sources is not material for the purposes of our discussion here today. What is important, however, is a moment's reflection of what benefit those dollars could bring to our ailing construction industry. We could embark on a positive construction program that would provide not only construction employment, but continuing employment in the operations of these waste to energy facilities. Such a program would also result in positive environmental achievements without parallel since the sewer construction program of the late 60's and early 70's. And even if the energy produced costs the same as energy now produced by oil, it would mean (at a cost equal to \$34.00 per barrel) \$476,000,000 a year in our economy, not flying out of the country as payment for imported oil.

TAX-PAC believes that we are all wasting valuable time debating the merits of a bill that, if passed, would address itself to less than 5% of the waste stream and cause significant economic dislocation in terms of loss of jobs and the imposition of inefficient business regulation, all of which would lead to eventual higher costs to the consumer. We believe that everyone could do with a lot less regressive legislation as exemplified by the present proposed bottle deposit bill. We also believe that positive legislation, such as the Recycling Act, along with a positive intensive effort to assist in the development of waste to energy facilities, can go a long way toward solving a problem everyone agrees is serious and threatening.

In closing, TAX-PAC respectfully offers this suggestion: Since the Recycling Act hopefully states that by 1985 there will have been achieved a rate of 25% of the waste stream diverted into recycling programs, it means there will still be an enormous amount of solid waste still going to landfills. Assuming solid waste production remains constant, that means in 1985, 2.5 million tons will be recycled and 7.5 million tons will still be going to landfills. TAX-PAC urges that the Legislature of the State of New Jersey do everything in its power to assist in the development of waste to energy facilities so that by 1985, or as soon as possible thereafter, whatever materials are left after recycling can be used to produce energy.

This Committee, rather than taking up your valuable time as conscientious members, in hearings on a bill that deals with only a minute portion of the total waste stream, might instead hold hearings and investigate why, after 10 years of efforts, does more than 90% of the solid waste generated in this State still go into landfills and not one BTU of energy has yet to be produced?

Thank you very much for the opportunity to testify, and I hope our organization's presentation is received in the positive manner in which it was intended to be conveyed.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Mr. Brune. If everything you said is correct, resource recovery is a very nice euphemism for incinerators where they are recovering the heat from the product that was burned -- garbage. You're right. Solid refill is garbage and when we talk about recycling, it is to reduce the amount of garbage. That is just what we're are talking about.

Linda Joseph?

L I N D A J O S E P H: My name is Linda Joseph and I am Executive Director of the Southern New Jersey Development Council. The Council, a non-profit organization representing business, industry, and government promotes economic growth and seeks to enhance the economic climate for existing businesses in the eight counties of Southern New Jersey. Representing over 200 organizations, the Council serves as the leader in coordinating regional development activities among businesses, local and county governments and community organizations.

Since this hearing involves the consideration of a new government regulation for the State of New Jersey, I would like to share with you statements made by our current and former Chairman of the Council of Economic Advisors (CEA) in their writings on new government regulations. First, our current Chairman, Martin Feldstein, said:

"As the pressure grows in Washington and in state capitals to limit tax collections and government spending, there will be more and more temptation to shift costs directly to consumers and firms through regulation. It's important for voters to remain skeptical of such attempts and to ask the cost of all such plans to 'improve our lives' through increased regulation." (The Boston Globe, 9/15/81)

I believe Murray Weidenbaum's comments, our former CEA Chairman, summarize the considerations to be made when we look at any new government regulation, including deposit legislation. He said:

"At first blush, government imposition of socially desirable requirements on business appears to be an inexpensive way of achieving national objectives: it seems to cost the government little and, therefore, is not recognized as much of a burden on the taxpayer. But, on reflection, it can be seen that the public does not escape paying the full cost ... What is at issue is not the worthiness of the objectives. Rather, it is that the public does not get a 'free lunch' by imposing public requirements on private industry. Although the costs of government regulations are not borne by the taxpayer directly, in large measure they show up in higher prices of the goods and services that consumers buy. These higher prices represent the 'hidden tax', which is shifted from the taxpayer to the consumer. Moreover, to the extent that government-mandated requirements impose similar costs on all price categories of a given product, this hidden tax will tend to be more regressive than the federal income tax." (Business, Government and The Public by Murray Weidenbaum, 1977)

I believe that both Mr. Feldstein's and Mr. Weidenbaum's remarks should be carefully considered in relation to the proposed deposit legislation which we are considering today. No one would deny the potential benefits of reduced litter in our State if deposit legislation were enacted. But, as the noted economists I quoted point out, all of the costs associated with deposit legislation must also be weighed.

Upon careful consideration, the Southern New Jersey Development Council

has determined that the costs of deposit legislation far outweigh the advantages to be achieved. For that reason, we strongly oppose any proposal to mandate deposits on beverage containers in New Jersey.

I would like to take a minute to review the potential costs associated within this legislation. Since the glass industry is a major one in our region, deposit legislation would be extremely detrimental to Southern New Jersey's overall economy. Over one-half of the workers in New Jersey's glass container industry are employed in South Jersey, with nearly 2000 workers employed in the Vineland-Millville-Bridgeton Standard Metropolitan Statistical Area (SMSA). (See table.) It is generally agreed that passage of a mandatory deposit bill would significantly reduce the work-force in Southern New Jersey's glass industry.

The Vineland-Millville-Bridgeton SMSA is currently experiencing a 17.7% unemployment rate, ranking fifth highest in the nation. Those of us living here in South Jersey are looking for assistance from our State to bring our region out of its serious economic woes. Instead, our Legislature is considering deposit legislation which would result in a further significant loss of jobs in the Vineland-Millville-Bridgeton area. The bottom-line effect of deposit legislation could very well make Cumberland County our nation's unemployment capital, a notoriety which New Jersey cannot afford.

Members of the Southern New Jersey Development Council recognize the importance of each manufacturing job to our region's health and prosperity. If deposit legislation is enacted, South Jersey's glass industry may have to terminate up to one-third of its current work force. This conservative estimate of South Jersey's potential work force reduction could also result in our loss of:

- \$13 million gross payroll
- \$11 million in regional expenditures
- \$9.5 million in disposable income
- \$7 million in federal taxes
- \$2.2 million in corporate taxes
- \$836,000 in State taxes
- \$700,000 in the unemployment insurance fund
- \$436,000 in time deposits

(What Typical Manufacturing Firms Employing 1000 Support)

(Source: N.J. Department of Commerce and Economic Development)

A similar work force reduction in the rest of New Jersey could bring New Jersey's loss to over \$100 million. In addition, it is estimated that the additional cost of beverage containers (including handling) to the consumer due to a mandated deposit system would be well over \$100 million annually. This State's "free lunch" (or hidden tax), as Mr. Weidenbaum puts it, which would result from deposit legislation could easily exceed over \$200 million annually. Our state, county and municipal governments, as well as our financial institutions, construction industry, retail stores and glass industry suppliers cannot afford this tremendous cost for the sake of an estimated 20% reduction of our State's litter problem.

We believe there are more cost-effective methods of reducing our State's litter problem. Recycling is one of the methods our Council favors. As you have heard from testimony presented by the New Jersey Office of Recycling on July 14, 1982, our State's recycling programs provide a more comprehensive (affects the entire municipal waste stream) and cost-effective program of litter control.

Passage of deposit legislation could seriously impact the economic viability of recycling programs underway in the State.

Private sector initiatives, although often overlooked, have had and will continue to have a significant impact on our State's control of litter. The beverage container industry has worked to alleviate the litter problem in the United States for years. They began the "Keep American Beautiful" campaign. They also funded, staffed, and researched a behavioral study on litter. Clean Community Systems were an outgrowth of that study. Today, over 270 communities in 37 states have joined the Clean Community Systems. These communities have reduced their litter up to 88% and have sustained these reductions as long as seven years. It is expected that the New Jersey Recycling Forum will soon begin a statewide litter program based on the Clean Community Systems.

The container industry has also taken an active role in recycling. Owens-Illinois, for instance, has invested \$600,000 in its glass processing facility in North Bergen. They expect to undertake a similar project in Bridgeton. In addition, they are offering their assistance to municipalities who are developing their own recycling programs.

Finally, we believe that our Legislature must recognize the impact this type of regulatory legislation has on our attempts to attract new businesses to our State and to encourage existing businesses to expand within New Jersey. Our State cannot afford to continue the enormous regulatory burden it has placed on its business and industry and the result that burden places on the average New Jersey citizen. Only when New Jersey's Legislature begins to assess the true costs of our government regulations will our State be able to compete on an equal footing with the many other already enlightened states across our country.

Thank you very much. If you have any questions, I'd be happy to respond.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Linda. Do you have any questions?

ASSEMBLYMAN MCENROE: No, I do not.

ASSEMBLYMAN HOLLENBECK: Fred Schmitt?

F R E D E R I C K G. S C H M I T T: I know it is long, Mr. Chairman, but first I have a question. Does testimony before an Assembly Committee contain combat pay? My reasoning for asking that is I have only been privileged to talk to an Assembly Committee twice. Unfortunately, within a week after the date was set, I have had two major accidents and obviously, at this point in the ball game I am entitled to some kind of combat pay. I thought we needed some humor at this point in the day.

You have in front of you a statement which was prepared by the New Jersey Recycling Forum. I would like to skip, if you will, the credential part of it and skip the initial part of the history on Page 2, and go to some key points that I don't think have been made today. I believe the Committee should keep these points in their minds as they make their deliberations.

Needless to say, we in the Forum considerate it a deep privilege to be talking to you, and I want to make sure that you recognize that I'm talking as President of the New Jersey Recycling Forum.

The New Jersey Recycling Plan was proposed by a broad-based committee, appointed by the two Commissions, Energy and Environmental Protection. The Plan seeks to recover an additional 800,000 to 1,300,000 tons per year in five years. Achieving these goals will generate \$24 million per year in local jobs, taxes and

profits, reduce the demand for wasted energy facilities by at least \$135 million, and decrease local waste collection and disposal expense by \$16 million. This makes no allowance for the change in the cash position of the State, which will be substantial.

While recognizing the significance of their major recycling task, which has been established, the Committee took the step toward dealing with the litter problem in the State by proposing increased education. Further steps dealing with litter abatement were anticipated by the Committee, and I believe, incidentally, I can talk for the Committee because I was Chairman of the Committee, in light of anticipated developments being received and achieved. 5,000 hours were spent in Committee meetings, and 5 public hearings convinced the vast majority of the Committee that it would take a major change in values by New Jersey residents to achieve the attainable goals. When the Advisory Committee recognized that New Jersey already had market for most of the materials that could reasonably be recovered, it also recognized the major hurdles that had to be overcome to link this potential supply to those markets. These hurdles reached every resident where they lived, worked, played, learned and worshipped. They ran for the need for better information to new separation and collection techniques, such as the kind talked about by Peter Carter and others -- developing the support of local governments, education, change perceptions on how municipalities private organizations and businesses sold and bought recovered materials. To achieve these goals and benefits, the Committee proposed a program financed by a landfill tax. The Plan and the Act seeks to use market forces and financial and educational incentives, rather than State-mandated action to induce the changes and behavior required across the State to overcome the hurdles mentioned earlier.

Presently the Forum is engaged in studying and promoting debate on beverage container legislation. Further, the Office of Recycling has asked the Forum for recommendations on a total litter abatement program to effect litter reduction and pickup. Thus far, the Forum has learned of no compelling reason to make a major modification in the strategy of the Recycling Plan to reduce litter. This could be changed by future events. The implementation of the Plan is on schedule. Emphasis is shifting from the State level preparation to counties and municipalities. I think some of you on the Committee are already involved in some of this.

Promising developments are occurring all over the State because of the Recycling Act. Also the Container Corporation of America, encouraged by the Recycling Act, has initiated its current investigation of the feasibility of using the abandoned Whippany Mill as a potential site for a new recycling facility. Further, the management of solid waste in New Jersey may well benefit from a series of actions initiated by State agencies and the Forum as a result of examining the shortfall in the recycle tax receipts in the first six months of the year. The Plan was based on 15 million tons, and we find that maybe the number is only 10 million tons. This can have a significant effect on a variety of things.

Last, but not least, New Jersey developed a superb Office of Recycling, administered by Mary Shiel. In focusing on the potential effect of beverage container legislation on the thrust and goals of the Recycling Plan, we could use glass as an example. It is estimated that New Jersey residents purchased products packaged in about 600,000 tons of glass in 1979. Possibly 50%, 300,000 tons, is beverage container. There are many opinions, but no scientific data, on how much

of this beverage container glass is littered in any state or in New Jersey. One current assumption, and I want to underline better than assumption, is guess -- is that a maximum of 2% of beverage container glass or about 6,000 tons may be littered annually in New Jersey.

The New Jersey Recycling Plan requires the efficient and effective collection of 340,000 tons of glass annually. Frankly, it remains to be seen how much it will affect litter. The Plan seeks to accomplish this by market forces and financial and educational incentives.

Beverage container legislation, which by law would mandate a change in behavior, seeks to recover about 270,000 tons of beverage glass in order to reduce the assumed 600,000 tons of glass beverage containers. Under present regulations, towns will receive no rebate for beverage containers returned under beverage container legislation. As glass approximates one-third of the total goal of the Recycling Plan, this will have a profound affect on the distribution of the incentives within the Plan. There is no question that container legislation would reduce some litter and recover material in states without a recycling plan of the scope initiated in New Jersey. However, there is considerable question as to what is the most effective way to go in New Jersey at this time, considering the substantial goals of the Plan. Present guesstimates, and I underline the word guesstimate -- because the amazing thing is you seek to get common agreement between the opponents and advocates -- it is very hard. Present guesstimates suggest that New Jersey residents may wind up paying an excessive amount per ton for litter glass, with only incidental help for residual litter pickup. The critical assumption is: Is there 2% of beverage glass littered? Is it more, or is it less? The number is outlandish.

Expressed another way: It appears that beverage container legislation focuses on eliminating a portion of the assumed 600,000 tons, asks the consumer to assume costs exceeding four times the annual cost of the total Recycling Plan, which itself focuses on achieving separation of 1.3 million tons of all materials annually. The discrepancy becomes larger when all containers covered by legislation are covered. Most of the non-litter benefits claimed for the beverage container legislation are expected to be realized under the Recycling Act.

Another unresolved question: Is there compatibility of the beverage container collection through a deposit law and recycling of a significant portion of the remainder of the glass trash?

Lastly, haulers, public and private, who should be developing the most economic collection system are impeded from doing so by habit and institutional barriers such as the public utilities rates mechanism. Currently, a hauler must deduct any profits that he may make on collecting recyclables from the amount charged to his customer for waste disposal. This is no incentive for change. Beverage container legislation could also abort efforts such as has been accomplished in Minneapolis to overcome these blocks. In Minneapolis 44 haulers have banded together to provide curbside collection for 123,000 homes.

The advantages are substantial and they are in my report. Because the Forum is unaware of any major reason for upsetting the promising implementation of the Plan with a contradictory strategy and a collection system, and because it is still seeking answers to basic questions such as the ones mentioned earlier, the Forum cannot support beverage container legislation at this time.

Moreover, there is a need for a baseline study on the nature and extent of littering in New Jersey. It could be the basis for a sound litter abatement program and for measuring its progress. Such a study should cost between \$50,000 and \$200,000, depending upon the extent of the work.

Recognizing all these considerations, the Forum, at its last meeting on August 3rd -- and the resolution is there.

If you have any questions, I'd be glad to answer them.

ASSEMBLYMAN HOLLENBECK: The Forum's position, of course, -- within the Recycling Act, there is a question dealing with litter and promotional programs and so forth. What is being done with that action?

MR. SCHMITT: The one part of the Act that has been slow in enforcement or execution, and I think you would probably understand this better than me, is the development of the specifications to go out and hire professional people from a professional agency to run the promotional program. This requires a number of agencies, and that work expects to be done by the first part of September. That is the one part that has not been done. My hope is that it will be full-flanked by the first of the year.

ASSEMBLYMAN HOLLENBECK: If there was a change in reference to bottle legislation, do you think possibly that the enforcing agency -- who should be the enforcing agency?

MR. SCHMITT: At this stage of the ball game, recognizing all that is going on, all that has been done in setting up any one of the thousands of patterns that are sliding into place, there is only one place for it and that is the Office of Recycling.

ASSEMBLYMAN HOLLENBECK: The Office of Recycling. If there was legislation dealing with certain areas of bottle legislation that deals with pull-tab cans, does the Recycling Forum feel that they would oppose those?

MR. SCHMITT: The Recycling Forum has not taken a position on either of those issues.

ASSEMBLYMAN HOLLENBECK: If there was legislation dealing with the banning of using plastic ring containers on six-packs or --

MR. SCHMITT: I answered that one a moment ago. I recognize that you are going to flip-top and I know you're going to high-cone containers. The answer is: The Forum as of this moment has not taken a position on those issues.

ASSEMBLYMAN HOLLENBECK: Generally speaking, the Forum does agree that any program should be handled by the Recycling Department within the DEP?

MR. SCHMITT: At the present time, as some of you may know, the Recycling Office reports both the DEP and the DOE, and it has been very successful in coping with the eccentricities of that kind of situation. I would not wish to cast my ballot between DOE, BPU or DEP. I would like that organization to be where it is and have the administrative support that it has running all the way up to the Governor. There are certain issues which we have confidence in, and there are certain other issues which we run for cover on.

ASSEMBLYMAN HOLLENBECK: Are there any other questions?

Mr. Schmitt, thank you very much. Mr. Schmitt, of course, has been active in the Recycling Forum for many years.

Ladies and gentlemen, we have now passed 4 o'clock. As I said before, that will be the last person to speak. For those of you who wanted to speak and

testify before the Committee, the record shall remain open. If you will submit written testimony to the legislative aide of the Committee in Trenton, we will see that it is put into the record.

I want to commend the audience -- the people of the Millville area -- for their attentiveness in the dealing of this particular subject. I have been to some hearings that have been very unruly at times. This is one of the better ones. I want to thank you very much; we enjoyed coming here.

(Hearing concluded.)



Robert C. Donovan
Regional Public Affairs Director

August 27, 1982

The Honorable Robert P. Hollenbeck
NEW JERSEY STATE ASSEMBLY
Chairman, Assembly Energy and
Natural Resources Committee
536 Washington Street
Carlstadt, NJ 07072

Dear Assemblyman Hollenbeck:

This is in response to your question during the 8/25/82 hearing relative to reaction of the beverage market to a mandated deposit system and how it translates to jobs and recycling.

As you well know, under a deposit system empty beverage containers must be returned by the consumer to the retailer for the refund of the deposit. The containers are then routed back to the soft drink bottler and beer wholesaler.

This reverse distribution process adds to costs at both retail and wholesaler/bottler level. These added costs may be reflected in direct increases of beverage prices at the retail level or may be recovered by retailers through price adjustments on other products.

According to studies conducted for the Food Marketing Institute in 1980; Midwest Research Institute in 1979; and the Michigan Special Legislative Committee in 1979, the additional costs amounted to \$.84 to \$.96 per case of beer and \$1.00 per case on soft drinks. The mandated handling fee called for in most of the proposals before your committee equal to 20% of the deposit is an added cost factor, as well as, deposits lost by consumers who, for whatever reason, choose not to return deposit containers.

To put these costs into perspective, New Jersey consumers would pay in some manner about \$1.00 per case or more on annual anticipated sales of 131 million cases of soft drink and beer following implementation of a deposit law. It represents a hidden consumer tax of at least \$131 million.

The response of Michigan, Maine and Connecticut's consumers to increased product cost and inconvenience caused by deposit laws in

.....continued

these states is quite evident.

Michigan packaged beer sales two years after implementation of its law dropped 10% or 650,000 barrels according to the Michigan Liquor Control Commission February 1981 Report.

Attached are four items demonstrating similar phenomena in Maine, Connecticut and Vermont.

1. A portion of a May 1, 1981 letter from Guy Marcotte, Director of the Maine Bureau of Alcoholic Beverages to Representative Twitchell, which includes references to the impact of the Maine beverage container deposit law on --

A. *Beer prices in Maine vs. New Hampshire*

<i>Six pack 12 oz. Budweiser:</i>	<u><i>New Hampshire</i></u>	<u><i>Maine</i></u>
<i>Glass</i>	\$2.40	\$2.80 + 5% sales tax = \$2.94 + \$.30 deposit = \$3.24
<i>Cans</i>	\$2.50	\$2.80 + 5% sales tax = \$2.94 + \$.30 deposit = \$3.24

Maine non-market cost of \$.56 per six pack vs. New Hampshire (no deposit law) non-market cost of \$.085.

- B. Confirmation of decline in Maine sales of malt beverages since Maine's deposit law passage in 1976 despite its 7 to 10% population increase vs. a 3.7% increase in New Hampshire beer sales.

Note: malt beverage sales declined only in Maine and Michigan - two deposit states.

2. Connecticut: February 1981 Department of Revenue Services Report substantiating a 10.45% reduction in packaged beer sales and 19.86% increase in draft beer sales due to deposit law implemented 1/1/80.

Note: substantial increase in sales of other alcoholic beverages.

3. New Hampshire vs. Maine beer sales before implementation of the Maine deposit law were running about even.

.....continued

The Honorable Robert P. Hollenbeck
Page -3-
August 27, 1982

3. (cont'd)

	<u>NEW HAMPSHIRE</u>	<u>MAINE</u>
1977	26,956,081	26,206,935

Two years later, Maine beer sales were approximately 5 million gallons below New Hampshire.

1979	30,813,349	25,617,625
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4. Per Capita Consumption (age 21+)

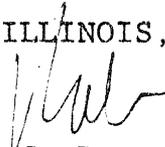
New Hampshire per capita consumption jumped from 48.3 to 51.6 when the Vermont deposit law went into effect (1973) and from 50.9 to 55.2 the year the Maine law went into effect (1978). Maine's per capita consumption decreased from 37.9 to 35.9 the same year.

Reduced packaged beer sales in these four deposit states translates to reduced container useage and sales. There has been a further reduction in container useage due to a shift in on premise service of beer in glass or metal containers to draft.

Job losses occur in proportion to the reduction in the numbers of containers used. Any shift from non-refillable bottles or cans to refillable glass containers represents an additional reduction in container useage exacerbated by the number of trips the refillable glass container makes.

Yours very truly,

OWENS-ILLINOIS, INC.


Robert C. Donovan
Associate Director of Public Affairs

cc: Mr. A. Matioska
Mr. P. Guzzo
Mr. N. Miller
Mr. P. McDonough, Jr.
Mr. M. Bruce

The result of these methods of taxation is that net tax revenues from liquor sales actually increase as the wholesale price increases. Net tax revenues from wine and beer sales do not increase similarly, since the tax is fixed per gallon.

Applied to conventional selling units, the "premium" provisions of L.D. 1485 have these results

	State Tax Pre LD 1485	+	Tax Per LD 1485	=	State Tax Post LD 1485	% Increase
Six Pack 12oz. beer	\$.14		\$.06		\$.20	43%
1.75 Liter Wine	.14		.14		.28	100%
750 ML, Spirits	2.00		.20		2.20	10%

Comparative Prices State of New Hampshire vs State of Maine
Without L.D. 1485. (Present Prices)

Six Pack 12 oz. Budweiser:	New Hampshire	Maine
Bottles	\$ 2.40	\$2.80 + 5% Sales Tax=\$2.94 +\$.30 deposit=\$3.
Cans	\$ 2.50	\$2.80 + 5% Sales Tax=\$2.94 +\$.30 deposit=\$3.

2. Q. What revenues can the State expect to go into the General Fund from the taxes administered by your office in this fiscal year without L.D. 1485?
 - A. Without L.D. 1485, the State can expect to receive nearly \$29,000,000 from liquor, beer and wine tax revenues in this fiscal year. This sum is nearly \$2,700,000 in excess of budget estimates. This increase is due largely to an increase in wholesale liquor prices.

3. Q. What are the trends in the sale of liquor, wine and beer in Maine, and how are those trends influenced by our competition with New Hampshire?
 - A. As of April, state liquor store revenues were up 6.89% over the same period, although gallonage sold had increased by only 1.25%. Most of this increase in gallonage is due to an increasing awareness of the fact that prices at the Kittery store are lower than prices in New Hampshire.

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Volume of malt beverages is up 1.33%, the first significant increase since 1976, the date of passage of the bottle bill. From 1975 to 1979, malt liquor sales in Maine actually declined. Michigan was the only other state in which the same result occurred during that period. New Hampshire beer sales increased 3.7%. Maine's lack of growth in beer sales must be viewed in the knowledge that Maine's population increased by 7-10% during the same period.

Frankly, while the sales of liquor and wine continue to increase, I am concerned that the impact of the bottle bill (two cent handling, five cent deposit and additional labor charges) has increased the relative price of malt liquor to the point of market stagnation, thereby depriving the State of natural increases in revenues, both from the malt liquor tax and the sales tax. The tax proposed by L.D. 1485 (six (6) cents a six-pack) would increase this problem.

One of the major factors affecting liquor sales in Maine is the price of liquor in New Hampshire. Liquor prices are lower in New Hampshire than in all but our Kittery store. For example, an eight brand average in Maine was \$7.22 a fifth. In New Hampshire, those same eight brands cost \$5.69 a fifth. Malt liquor is significantly cheaper in

3

New Hampshire. Our malt liquor tax is now 14 cents a six-pack. Add two cents per container handling charge and a nickel deposit per container (ignoring labor costs) and the non-market cost is 56 cents per six-pack. New Hampshire, which has no bottle bill, has a non-market cost of 8.5 cents per six-pack. L.D. 1485 would increase the present 45 cent differential to 56 cents per six-pack. That is a significant competitive disadvantage for the State of Maine. Continued operation of that disadvantage will reduce revenues to the General Fund.

3

4. Q. In general, what impact will a tax increase such as that proposed by L.D. 1485 have on tax revenues to the General Fund?

A. Enactment of L.D. 1485 would have two important impacts on tax revenues to the General Fund. First, by increasing liquor, wine and beer prices by 5.5 million dollars, the volume of alcohol products sold in Maine will decrease. The effect of this decrease will be lower liquor, wine and malt liquor revenues, as well as decreased sales taxes on wine and malt liquor. This decrease is made more certain by the fact that none of the 5.5 million dollar tax increase will go to the General Fund.

Statistical Statement Showing Sales of Alcoholic Beverages for the Calendar Year 1980 as compared with the Sales of Alcoholic Beverages for the Calendar Year 1979.

SUMMARY BULLETIN

Type of Beverage	Rate of Tax	Quantity		Tax		% of Increase or Decrease
		1980	1979	1980	1979	
Malt Beverages	\$2.50 per barrel	350,240.79	292,210.19	\$ 875,601.98	\$ 730,525.48	+ 19.86
Malt Beverages	8-1/3 per gallon	48,393,712.48	54,041,840.12	\$ 4,032,809.38	\$ 4,503,486.68	- 10.45
Total Tax on Malt Beverages				\$ 4,908,411.36	\$ 5,234,012.16	- 6.22
Wines, under 21% alcohol	.25 per gallon	7,995,340.96	7,394,137.91	\$ 1,998,835.24	\$ 1,848,534.48	+ 8.13
Wines, over 21% alcohol & also Sparkling Wines	.62½ per gallon	384,122.71	365,004.31	\$ 240,076.70	\$ 228,127.64	+ 5.24
Total Tax on Wines				\$ 2,238,911.94	\$ 2,076,662.12	+ 7.81
Distilled Liquor	\$2.50 per gallon	7,367,523.98	7,342,474.59	\$18,418,809.95	\$ 18,356,186.48	+ .34
Alcohol	\$2.50 proof gallon	18,603.74	14,013.74	\$ 46,509.35	\$ 35,034.35	+ 32.75
TOTAL TAX ON ALCOHOLIC BEVERAGES				\$25,612,642.60	\$ 25,701,895.11	- .35

6x

Maine - New Hampshire Beer Statistics
(1979 Brewers Almanac)

Beer Sales - Gallons

<u>Year</u>	<u>New Hampshire</u>	<u>Maine</u>
1976	26,902,079	25,954,409
1977	26,956,081 + 54,002	26,206,935 + 252,526
----->		
1978	30,135,565 + <u>3,179,484</u>	24,776,502 - <u>1,430,433</u>

1979	30,813,349 + 633,865	25,617,625 + 841,083
Projected 1978 Beer Sales Based Upon Average Annual Increase Since 1971		<u>27,236,935 + 1,030,000</u>
Actual vs Projected		- <u>2,460,433</u>

1/1/78
Maine
Deposit
Law

<u>Year</u>	<u>Per Capita Consumption- (Age 21 +)</u>		<u>Increase or (Decrease) Malt Beverage Shipments</u>	
	<u>New Hamp.</u>	<u>Maine</u>	<u>New Hamp.</u>	<u>Maine</u>
1971	48.5	35.2	---	---
1972	48.3 - .2	35.6 + .4	+ 3.05%	+ 5.38
----->				
1973	51.6 + <u>3.3</u>	37.1 + 1.5	+ 10.34%	+ 4.85%
1974	53.4 + 1.8	38.0 + .9	+ 6.59%	+ 5.15%
1975	52.2 - 1.2	39.0 + 1.0	- (.29%)	+ 5.18%
1976	52.6 + .4	39.0 ---	+ .27%	+ .15%
1977	50.9 - 1.7	37.9 - 1.1	+ 3.31%	+ .97%
----->				
1978	55.2 + <u>4.3</u>	35.9 - <u>2.0</u>	+ 8.43%	- (5.45%)
1979	52.9 - 2.3	35.8 - .1	+ 2.3 %	+ 1.8 %

1/1/73
Vermont
Deposit
Law

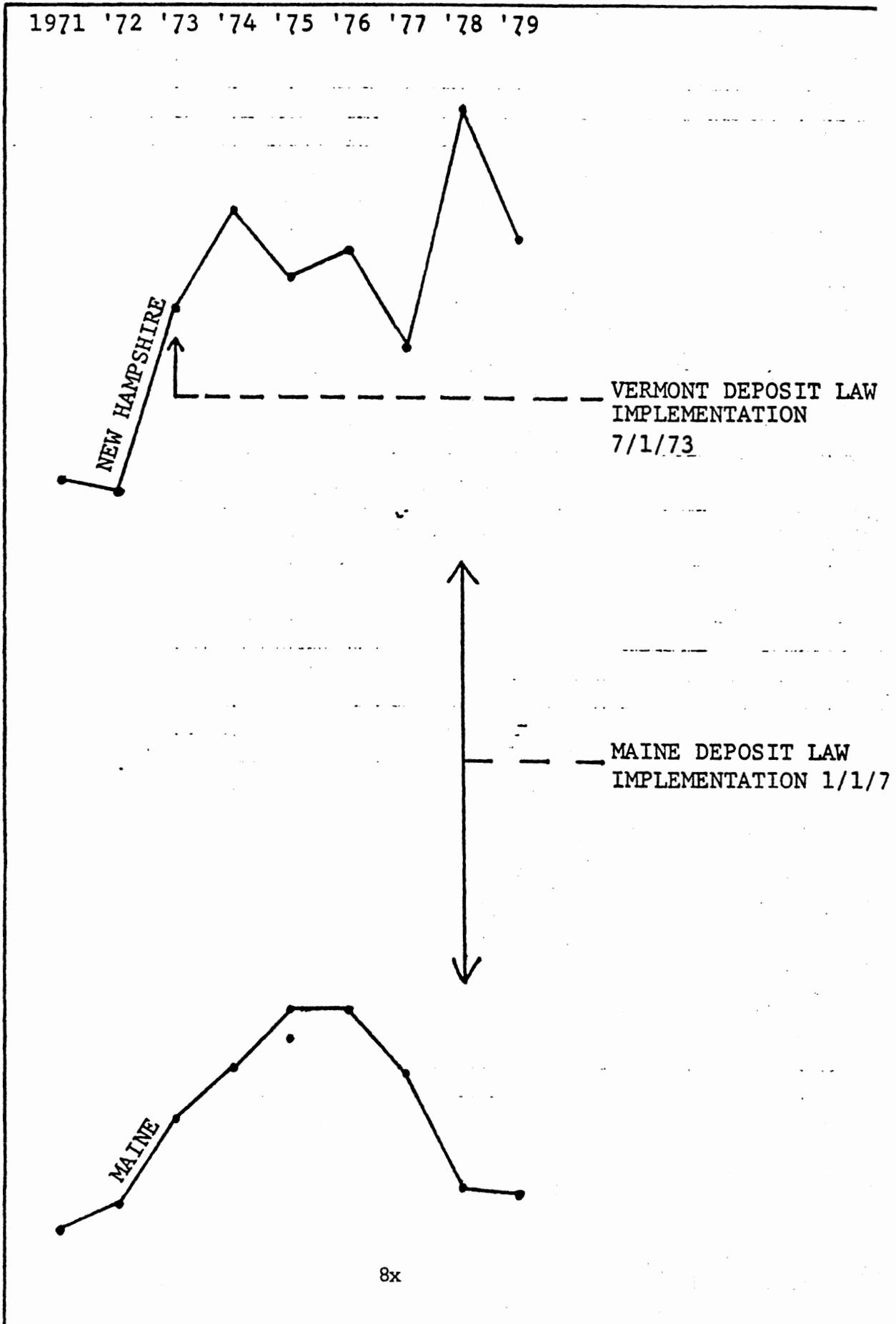
1/1/78
Maine
Deposit
Law

Packaged beer sales decreased dramatically in both Vermont and Maine following implementation of deposit laws while draft beer sales increased contrary to national trends.

R. C. Donovan - Assoc. Dir. Pub. Aff.
Owens Illinois, Inc.
Park 80 Plaza West
Saddle Brook, N.J. 07662

Gallons
Per
Year

MAINE - NEW HAMPSHIRE
Per Capita Beer Consumption (Age 21 +)



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STATEMENT OF WILLIAM PEARCE, PRESIDENT
THE NEW JERSEY SOFT DRINK ASSOCIATION

PREPARED FOR

THE ENERGY AND NATURAL RESOURCES COMMITTEE

NEW JERSEY ASSEMBLY

AUGUST 25, 1982

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, MY NAME IS WILLIAM PEARCE, I AM VICE PRESIDENT OF THE COCA-COLA BOTTLING COMPANY OF NEW YORK, INC. WITH HEADQUARTERS IN HACKENSACK, NEW JERSEY AND I HAVE JUST COMPLETED A FOUR YEAR TERM AS PRESIDENT OF THE NEW JERSEY SOFT DRINK ASSOCIATION. I PRESENT THIS STATEMENT IN BEHALF OF BOTH MY COMPANY, THE COCA-COLA BOTTLING COMPANY AND THE NEW JERSEY SOFT DRINK ASSOCIATION.

THE NEW JERSEY SOFT DRINK ASSOCIATION IS COMPOSED OF 40 INDEPENDENT BOTTLERS OPERATING 58 BOTTLING PLANTS AND DISTRIBUTION CENTERS THROUGHOUT THE STATE OF NEW JERSEY. WE ARE NOT A TREMENDOUSLY LARGE INDUSTRY YET, WE REPRESENT A SUBSTANTIAL FACTOR IN THE ECONOMIC ENVIRONMENT OF THE STATE OF NEW JERSEY. WELL OVER 50% OF OUR BOTTLER MEMBERS EMPLOY LESS THAN 50 PEOPLE.

OUR ASSOCIATION WAS FORMED IN 1924; ALMOST 50 YEARS AGO AND AS STATED IN THE BY-LAWS AT THAT EARLY DATE, "FOR THE PURPOSE OF PLACING BEFORE THE PUBLIC, THE FACTS WHICH WILL LEAD TO A BETTER UNDERSTANDING OF OUR INDUSTRY AND OUR PRODUCTS FOR THE MUTUAL BENEFIT TO OUR INDUSTRY, OUR CUSTOMERS AND THE COMMUNITIES WE SERVE".

TOWARDS THAT END OUR INDUSTRY IS PROUD OF OUR NEARLY 50 YEAR RECORD OF SERVING THE CONSUMER OF NEW JERSEY IN A FASHION THAT HAS INDEED BEEN A CREDIT TO ALL PARTIES CONCERNED.

TODAY OUR INDUSTRY'S ANNUAL NEW JERSEY PAYROLL IS APPROXIMATELY 63 MILLION DOLLARS PER YEAR AND THE NEW JERSEY TAXES PAID BY OUR MEMBERS THIS YEAR WILL EXCEED 7 MILLION DOLLARS.

OUR ASSOCIATION IS NEARING ITS GOLDEN ANNIVERSARY, BUT THE BOTTLING INDUSTRY IN THIS STATE IS ACTUALLY OVER 75 YEARS OLD. FOR THREE QUARTERS OF A CENTURY THE BOTTLER OF SOFT DRINKS IN NEW JERSEY HAVE BEEN SERVING THE PUBLIC UNDER THE FREE MARKET SYSTEM, PERFORMING AS RESPONSIBLE CORPORATE CITIZENS AND CONTINUOUSLY INNOVATING TO MEET THE CONSUMERS NEEDS...AND INNOVATING TO MEET THE CONSUMER ^{NEEDS} HAS PRECISELY BROUGHT US TO OUR PRESENT METHOD OF DISTRIBUTION BECAUSE THE REFILLABLE/ RETURNABLE SYSTEM WHICH SERVED US WELL FOR MANY YEARS BECAME THE MOST COSTLY AND LEAST EFFICIENT SYSTEM FOR THE DELIVERY OF SOFT DRINKS TO THE CUSTOMER. AND FOR THAT REASON, WE AND THE 3,113 EMPLOYEES OF OUR INDUSTRY WISH TO GO ON RECORD AS BEING ADAMANTLY OPPOSED TO ANY FORM OF MANDATORY DEPOSIT LEGISLATION WHICH WOULD FORCE OUR INDUSTRY TO TAKE A STEP BACKWARDS.

THE DISTRIBUTION SYSTEM IN THIS COUNTRY INCLUDING SOFT DRINKS, IS THE MOST HIGHLY DEVELOPED AND MOST FINELY TUNED OF ANY NATION IN THE WORLD. TO "TINKER" WITH THIS SYSTEM BY REQUIRING IT TO ACCEPT BACK AN ITEM...IN THIS CASE EMPTY SOFT DRINK AND BEER CONTAINERS ONLY... MEANS THAT YOU WILL CREATE HUGE NEW COST PENALTIES. THESE PENALATIES WILL MEAN BASICALLY...ONE OF TWO THINGS. EITHER OUR COST OF BUSINESS AND, THEREFORE, OUR COST TO THE CONSUMER WILL HAVE TO BE RAISED;

OR SOME OF OUR MEMBERS WILL HAVE TO GO OUT OF BUSINESS BECAUSE THEY CAN NO LONGER AFFORD TO DELIVER THEIR PRODUCTS TO THE CONSUMER AT AN ACCEPTABLE PRICE.

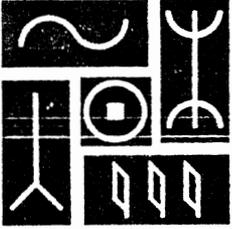
MAKE NO MISTAKE ABOUT IT, HANDLING COSTS ALONE ASSOCIATED WITH A MANDATORY DEPOSIT SYSTEM, REPRESENTS NO LESS THAN ONE DOLLAR PER CASE. THIS MEANS THAT BASED ON THE PRESENT BEER AND SOFT DRINK VOLUME, THE CONSUMERS OF NEW JERSEY WOULD BE PAYING 140 TO 160 MILLION DOLLARS UNDER A MANDATORY DEPOSIT SYSTEM...AN ~~UNCONSCIOUSABLE~~ ^{UNCONSCIONABLE} PRICE TAG TO LAY ON THE CONSUMERS OF NEW JERSEY CONSIDERING THE FACT THAT ANY FORM OF MANDATORY DEPOSIT LEGISLATION HITS ONLY THE "TIP OF THE ICEBERG" OF THE LITTER AND SOLID WASTE PROBLEM AND PROVIDES ABSOLUTELY NO ASSURANCE THAT TOTAL LITTER AND SOLID WASTE WILL BE REDUCED APPRECIABLY.

THE NEW JERSEY SOFT DRINK ASSOCIATION AGREES THAT ALL OF THE STATED OBJECTIVES OF FORCED DEPOSITS ARE WORTHY OBJECTIVES AND ARE MATTERS THAT SHOULD BE ACCOMPLISHED. HOWEVER, WE VEHEMENTLY DISAGREE THAT FORCED DEPOSITS ARE THE VEHICLE TO USE TO ACCOMPLISH THESE OBJECTIVES. WE WANT TO SEE LITTER REDUCED! WE WANT TO SEE SOLID WASTE REDUCED! WE WANT TO SEE ENERGY SAVED! WE WANT TO HELP CONSERVE RESOURCES! BUT NOT AT THE HUGE COST PENALATIES THAT ARE INCUMBENT IN FORCED DEPOSITS. THERE ARE BETTER WAYS TO ACCOMPLISH OUR GOALS AND TO ACCOMPLISH THEM WITHOUT THE ECONOMIC DISRUPTIONS THAT ACCOMPANY THE ONSLAUGHT OF FORCED DEPOSITS.

IT IS FOR THESE VERY REASONS THAT WE WORKED SO DILIGENTLY OVER THE PAST FEW YEARS FOR THE ADOPTION OF THE NEW JERSEY RECYCLING ACT AND PLAN. WE FEEL STRONGLY, LADIES AND GENTLEMEN, THAT THE RECYCLING ACT AND PLAN THAT BEARS THE NAME OF OUR STATE IS A PACESETTING APPROACH THAT CAN ANSWER ALL OF THESE PROBLEMS. WE RESPECTFULLY SUBMIT THAT THE NEW JERSEY RECYCLING ACT AND PLAN...WHICH HAVE NOT BEEN IN EFFECT FOR A FULL YEAR, YET...SHOULD BE GIVEN A FAIR CHANCE.

TO IMPOSE FORCED DEPOSITS OR ANY OTHER FORM OF RESTRICTION AT THIS TIME WOULD BE TANTAMOUNT OF ROBBING THIS GREAT STATE OF THE CHANCE TO SHOW NOT ONLY ITSELF, BUT THE REST OF THIS NATION...AND EVEN THE WORLD...THAT NEW JERSEYITES ARE FORWARD THINKING AND READY FOR THE CHALLENGES OF THE FUTURE. TO SHOW THAT WE BELIEVE IN MEETING CHALLENGES INNOVATIVELY AND NOT BE TAKING A PAGE OUT OF THE HISTORY BOOKS...JUST BECAUSE WE USE TO HAVE IT AND IT USE TO WORK.

THE NEW JERSEY SOFT DRINK ASSOCIATION WILL NOT RETREAT FROM THIS TOTAL COMMITMENT IN SUPPORT OF THE LITTER ABATEMENT PROGRAM ASSOCIATED WITH THE NEW JERSEY RECYCLING PLAN AND TOWARDS THIS END, WE PLEDGE OUR UNWAIVERING SUPPORT.



CAPE MAY COUNTY PLANNING BOARD

August 23, 1982

Mrs. Ruth Fisher
South Dennis
New Jersey 08245

Dear Mrs. Fisher:

Recently you inquired about the amount of earth materials excavated in Cape May County and the ultimate use of the materials (i.e., glass manufacture, land filling, highway construction).

Unfortunately such information is not available. In the preparation of the Planning Board Report, Earth Extraction In Cape May County, we found that the State of New Jersey records only the volume of materials mined at each site. No attempt is made to record the use of various materials. Information on materials mined at each site is not released by the State because of the need to hold in confidence facts which relate to private business activity.

I am sorry we cannot provide the information you requested.

Sincerely,

David Rutherford
Principal Planner

DR:nl

13x

cape may court house, new jersey 08210-609-465-7111

October 17, 1978

Hon. Frank J. Dodd, Chairman
Energy and Environment Committee
New Jersey State Senate
Trenton, New Jersey 08625

Re: S 245 (Bottle Bill)

Dear Senator Dodd:

The Cape May County Planning Board at its recent meeting discussed subject Bill and went on record favoring its adoption. Such legislation is essential today in light of the need to conserve energy, reduce solid waste production, and promote a cleaner environment.

The Cape May County Planning Board hopes that this legislation can move from committee to adoption.

Sincerely,

William J. Diller, Jr.
Chairman

WJD:nl

cc: Mr. Hurley
Mr. Chinnici
Mr. Caflero
Board of Freeholders
Mr. Mattek

November 6, 1978

Hon. Bryon M. Baer, Chairman
Commerce, Industry and Professions
80 West Street
Englewood, New Jersey 07631

RE: A 1747 (Bottle Bill)

Dear Assemblyman Baer:

The Cape May County Planning Board at a recent meeting discussed subject Bill and went on record favoring its adoption. Such legislation is essential today in light of the need to conserve energy, reduce solid waste production and promote a cleaner environment.

The Cape May County Planning Board hopes that this legislation can move from committee to adoption.

Sincerely,

William J. Diller, Jr.
Chairman

WJD:jw

cc: Mr. Hurley
Mr. Chimmici
Mr. Cafiero
Mr. Mattek
Mr. Dodd
Mr. Martin
Board of Freeholders

Mrs. Calloway asked if the Planning Board has made any recommendations to the state to improve the traffic flow in the Wildwoods. The Director stated that the County's Transportation Improvement Plan recommends a third lane off George Reading Bridge and recommends prohibiting left-hand turns on Susquehanna Avenue. Mrs. Calloway also suggested considering a no left-hand turn on Stone Harbor Boulevard. Mr. Haffert suggested a delayed light for left hand turns from Route 9 into Sea Isle City. The Director stated these suggestions will be considered under the County's Transportation Improvement Program.

The Director reported that the state expects to adopt the Coastal Location Acceptability Method (CLAM) on September 28, 1978. He further stated that he will prepare a recommendation for the two final sites still under consideration as part of the Cape May County Comprehensive Plan for the next Planning Board meeting.

In answer to a question raised at the last meeting as to why Site Number 4 was not considered by the MUA for the Cape May Region, the Director reported that data received in the Planning Board office prior to the hearing stated that any site would be eliminated if it was determined to cost too much. Site Number 4 was considered by the MUA to be too expensive. Site selection was not considered critical to the Cape May County Comprehensive Plan when the Planning Board did an A-95 review on the project and the Board analyzed capacity and how much growth that capacity would allow. Mr. Long stated that a site had to have over-riding considerations where the cost was considered to be more than ten percent of the minimum cost alternative, and he is not sure such over-riding considerations were given in this site. Mr. Long also noted the recent ruling by EPA that suggested no growth for the Cape May Region due to the sewerage system.

The Director reported that the Returnable Bottle Bill went to a Senate Committee on January 10, 1978 and is not moving. There was a lengthy discussion on the desirability of supporting the Bill at this time. Mr. Haffert felt that it was not appropriate to support the Bill as it left several unanswered questions - addresses only certain bottles, what about tourists passing through the state, what is cost to consumer, will there be relocation of industry, etc. Mr. Thornton felt that even though it might be more costly initially for business, the conservation of glass will make the bottles cheaper in the long run, and he also felt that the Bill did address the largest users of bottles (soda and beer).

Mr. Long made a motion to write a letter supporting the purposes of this Bill. Mr. Thornton seconded it. Motion carried on a roll call vote as follows: Mr. Diller - Yes, Mr. Long - Yes, Mr. Clarke - Yes, Mr. MacLeod - Abstain, Mr. Haffert - No, Mr. Thornton - Yes, Mrs. Calloway - Yes.

7. Letter from MUA re: Regional Population and Wastewater Flow Projections
8. Letter from DEP, thanking Board for reviewing "Proposed Rules and Regulations for Shore Protection Facility Construction Restoration and Replenishment Projects"
9. Letter to Bernard Moore, DEP, forwarding comments on Shore Protection Rules
10. Letter to Assemblyman Bryon Baer re: A 1747 (Bottle Bill)
11. Letter to Senator Frank Dodd re: S 245 (Bottle Bill)
12. Letter to Eckhart Beck, EPA, re: Applications for permits to Dispose of Sewage Sludge in the Ocean During 1979.
13. Letter to Board of Chosen Freeholders re: Establishment of a Cape May County Energy Office
14. Letter to Barbara Camp, Upper Township Clerk, re: comments for growth in the Township
15. Letter from Joseph Chinnici advising of opposition to S-245 and A 1747 (Bottle Bills)

Joseph Chinnici, Assemblyman, and Paul Kinkle, representative of Owens-Illinois Glass Industry stated for the Board the reasons they were opposed to the Bottle Bills. Mr. Chinnici stated that he and other Congressmen were very concerned about the environment, but felt that these bills would destroy the glass industry. Mr. Kinkle stated that it is the feeling of the Glass Containers Manufacturing Institute that an alternative proposal would be better. He stated that this proposal is being drafted in Toledo and proposes a fee on the manufacturer, distributors and retailers who provide items which end in the litter stream. The bill further finances educational programs to this effect.

In answer to a question from Mrs. Calloway, who asked how the alternative proposal would prevent litter, Mr. Kinkle stated that funds would be made available for recycling and other programs.

In answer to several questions from Mr. Long, Mr. Kinkle stated that all 20,000 jobs would not necessarily be eliminated if the bills were passed, but the work force would undoubtedly be reduced, and that the glass companies did produce other types of bottles and glass rather than just beer and soda bottles.

Mr. MacLeod summarized the problems of excess litter versus economically sound business practices and suggested working with the glass industry to arrive at a mutually agreeable solution such as perhaps better enforcement of litter laws. Mr. Kinkle stated he will send information from the Toledo office to the Cape May County Planning Board.

Mr. Long made a motion to amend the above definition to delete waterfront restaurants and boatels and to include language that would only permit motels and hotels if additional sewer and water facilities were not required. There was no second to this motion.

Mrs. Calloway made a motion to adopt the definition as originally proposed above. Mr. Haffert seconded it. On a roll call vote the outcome was as follows: Mr. Diller - Aye, Mr. Long - No, Mr. Clarke - Aye, Mr. MacLeod - Aye, Mr. Haffert - Aye, and Mrs. Calloway - Aye. Since the New Jersey County and Regional Planning Enabling Act requires six affirmative votes on a Comprehensive Plan change, this motion was defeated. Sites 12 and 17, therefore, are still under consideration at this time.

Regarding the Bottle Bills, the Board decided to respond to the related legislation as it is introduced from time to time as it responded to A 1747 and S 245.

Regarding the New Jersey Federation of Planning Officials Awards, the Board decided to consider recommending the work that has been done toward helping the municipalities bring their zoning ordinances and land use elements into conformance with the Cape May County Comprehensive Plan and to recommend work any particular municipality has done that is outstanding in the area of planning. The Director will submit recommendations.

Mr. Diller appointed the following Nominating Committee to present a slate of officers for consideration at the January meeting: Mrs. Calloway, Mr. Clarke, and Mr. MacLeod.

The Director reported that the staff is reviewing the State Water Supply Master Plan and will be recommending that the data that is used be updated. Mr. MacLeod stated that the State Board of Agriculture will recommend that either the New Jersey Division of Water Supply Council or the Delaware River Basin Commission be authorized to act on the quality of water, not both organizations as that creates a burden for the farmers. The Director will have a draft report for the Board at the January meeting.

At Mr. Long's suggestion, the Board agreed to submit a letter to the CCS Advisory Board requesting that the minutes of the August meeting be corrected to reflect the fact that local governments do have suit power. The Director will prepare such a letter for Mr. Diller's signature.

Mining Association of New Jersey

66 Morris Ave. P.O. Box 359 Springfield, N.J. 07081 (201) 379 1100



POSITION ON BOTTLE BILL LEGISLATION

The Mining Association of N.J. who represent silica sand producers oppose Bottle Bill Legislation which calls for return deposits on glass bottles.

N.J. is the leading state in production of glass, and sand miners provide the sand which composes 70% of the glass. Needless to say returning and refilling glass bottles will severely reduce the supply of sand needed by the glass plants, if the glass plants continue to operate in New Jersey. If the glass industry leaves New Jersey and takes the sand market with it, South Jersey can anticipate serious unemployment problems which will aggravate the 17% unemployment being experienced by Cumberland County right now.

New Jersey already has a recycling law which has not been allowed to properly run its probation period. In 1983 the effects of the law will be evaluated. Any action on returnables and refillables should be held until this report is issued.

Glass constitutes only 17% of the solid waste in land fills. 33,000,000 pounds of glass was recycled last year by Owens Illinois. This cullet was used as 30 percent of the raw material. Thus the glass disposal problem is not being ignored and normal economic incentives are responsible for handling the problem at none of the horrendous costs to the consumer and the public that the systems outlined in these bottle bills would precipitate.

The sand industry on the whole has limited their work force to 3 or 4 day weeks. This reduction at this time of year when production is normally at its peak, is due to the depressed state of the construction industry. To pass these bills at this particular time would add more stress to a struggling mining industry in New Jersey.

These economic arguments may sound self-serving but if the entire employment picture is analyzed and is compared against the increased cost of initiating this bottle bill legislation, and the completely speculative nature of the public good expected to be realized, it will surface that these measures will adversely effect New Jersey's economy.

Mining dollars are spent six times over in the ripple effect created by our interdependent economy. Conversely mining dollars lost will cost New Jersey six times over.

Let's be practical. We know what the economic picture looks like now. Government on all levels is struggling to revive business and keep people working. The bottle bill legislation will work in the opposite direction as it did in other states. New Jersey should not gamble the precious jobs she has for a "fantasy notion" of clean open spaces which no one can definitely say will be the result.



50 Park Place, Newark, New Jersey 07102

201-623-8359

August 26, 1982

Honorable Robert Hollenbeck
Chairman
Assembly Committee on Energy &
Natural Resources
State House
Trenton, N.J. 08625

Attention: Mr. Al Matiosca

Dear Sir:

Enclosed, as promised at the Millville hearing, are ten (10) copies of NJBIA's statement regarding the "Bottle Bills" along with pertinent attachments.

Your cooperation in distributing these to your committee and your consideration of our views are appreciated.

Respectfully,

A handwritten signature in cursive script that reads "Georgia H. Hartnett".

Georgia H. Hartnett, Esq.
Assistant Vice President

GHH:bm

Enclosures:

20x

STATEMENT ON BEHALF OF THE

Council on Energy
and
The Committee for Environmental Quality

of

NEW JERSEY BUSINESS & INDUSTRY ASSOCIATION

Before the

ASSEMBLY COMMITTEE ON ENERGY AND NATURAL RESOURCES

Regarding :

Proposed Legislation Regulating the Use and Sale
of Beverage Containers.

Millville High School Auditorium
Millville, New Jersey

August 25, 1982

Good morning Mr. Chairman and members of the Assembly and National Resources Committee, my name is David Lloyd. I am Vice President of New Jersey Business and Industry Association. This statement is being presented as a joint position of the Council on Energy and the Committee for Environmental Quality of our association. The membership of those committees and the more than 12,000 members whom they represent appreciate this opportunity to express our views with regard to mandatory deposit legislation now pending before the Assembly Committee on Energy and Natural Resources.

With public interest focusing upon conservation of natural resources and public concern being expressed for the ever increasing cost of solid waste disposal, it is only natural that legislation be considered which attempts to meet these issues. However, it is our opinion that mandatory deposit legislation will not be a solution to the problems which you seek to remedy. In fact, the passage of such legislation may hinder the program that is already under way to achieve these goals and do great damage to New Jersey's economy as well.

As you are aware, during the last session the legislature enacted what is known as the "State Recycling Act" (Chapter 278 of the Laws of New Jersey, 1981). The Act was developed by a broad based advisory committee with membership drawn from government, civic and environmental organizations, and business and industry. Just as the membership of the advisory committee was delicately balanced to achieve a legislative objective, the "Recycling Act" and the action program resulting therefrom are delicately balanced to achieve a recovery of 25% of the municipal waste stream by 1986.

In less than a year from the passage of the act, the program is showing promise that it will begin to solve the comprehensive waste disposal problems

with which New Jersey is confronted. If you upset the balance that has been struck in the Recycling Act by the passage of some form of mandatory deposit legislation, it is not clear whether the program will continue to grow and build on its success.

Since the State Recycling Program was implemented many new glass and multimaterial redemption centers have opened in New Jersey. In some cases the demand for used glass has allowed the market to exceed \$50.00 per ton. Recyclable aluminum is also in great demand. For the legislature to tamper with the program that was developed only a year ago prior to the 1984 reporting date that they themselves set for evaluation of the program's success seems self-defeating.

Our greatest concern with mandatory deposit legislation is, of course, the effect that it will have on New Jersey's economy. No less than 10,000 people are directly employed in the manufacture of beverage containers in the state. With unemployment figures approaching the 10% level we can ill afford to legislate job losses for our citizens in beverage container plants or in the various industries that provide support for such operations. The comprehensive report prepared by Owens-Illinois which we have attached, summarizes the economic impact that the alternative pieces of legislation would have. Even in the case of legislation requiring a deposit, but prohibiting the use of refillable containers, it is estimated that no less than 400 jobs would be lost. We question whether the losses will be worth it, in light of the dubious benefits of such legislation.

It is clear that the focus of these proposals is the abatement of litter and yet no comprehensive study has been made of New Jersey's litter to determine whether the percentage of beverage containers in that litter warrants such action. If, however, New Jersey approximates the litter mix of other states, only 20 - 30% of the total would be touched by deposit legislation, while the remaining 70 or more percent would remain unaddressed.

Furthermore, a 1979 study conducted for Michigan by the Institute for Applied Research revealed that total litter in the state continued to increase following the 1978 enactment of that state's mandatory deposit law and subsequent surveys reveal that it continued to increase through 1981.

The Connecticut "bottle bill" was enacted in 1978 and the result, both there and in Michigan, is that the consumer prices for the beverages effected have risen to the point where they are among the highest in the nation ... additional costs based solely on the additional labor and handling required to implement the legislation.

Our Council on Energy is particularly concerned with the waste of energy that will occur were such legislation to become law. In those states where deposit systems exist extra vehicles must be operated to pick up the empty beverage containers at thousands of retail outlets with the resultant squandering of gasoline resources. New Jersey should look closely at this aspect of such legislation, since we know all too well how limited these resources can be.

In conclusion we submit that the speculative benefits to be derived from

mandatory deposit legislation are not worth the potential loss of jobs, destruction of a successful statewide recycling program, increased consumer costs, and energy waste that would result. Therefore, we urge this committee to discontinue serious consideration of this type of legislation, at least until 1984 when evaluation can be made of the effect which the Statewide Recycling Program has had on the objectives which this legislation addresses.

We appreciate your consideration of our views.

* * * * *

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.

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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 scenerios 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.

SCENERIO 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		PLANT CLOSING EQUIVALENT @339 JOBS PER PLANT	ADDITIONAL UNQUANTIFIABLE ECONOMIC IMPACT
			MIN. \$18,000	MAX. \$35,000		
<u>SCENERIO I</u>						
100% non-refillable beverage containers						
10% reduction in market anticipated	315,000,000	362	\$ 6,516,000 -	\$12,670,000	1.06	Due to reduced production and jobs in industries supplying: <u>GLASS</u> <u>CAN</u> <u>PLASTIC BEV.</u> sand alum. & resins soda ash steel corr. boxes lime roll kraft paper cullet stock suppliers corr. boxes corr. boxes etc. kraft paper kraft paper suppliers suppliers etc. etc.
Total container market 3,150,000,000		457	8,226,000 -	15,995,000	1.35	
<u>SCENERIO II</u>						
100% returnable/refillable glass containers						
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	The New Jersey container industry ships more than 200,000 trailers per year representing more than 1100 teamster jobs. (400-500 NJ Bev. Cont.) Incoming volume of raw materials and supplies by truck and rail = 1000 additional jobs (est.)
		4,618	83,124,000 -	161,630,000	13.6	
<u>SCENERIO III</u>						
50% R/R glass - 10 refills (157,500) 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	<u>CONTAINER PLANT COMMUNITIES</u> reduced local business volume real estate market deterioration local taxes <hr/> <u>STATE</u> lost corporate taxes unemployment comp. increases welfare roll increase
		2,563	46,134,000 -	89,705,000	7.6	
<u>SCENERIO IV</u>						
30% R/R glass - 10 refills (94,500M) 70% N/R glass, can, plastic (2,205,000M)						
Total container market 2,299,500,000	1,200,500,000	1,381	\$24,858,000 -	\$48,335,000	4.1	
		1,741	31,338,000 -	60,935,000	5.1	

31x

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</u>	
				<u>STATE</u>	<u>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
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			
	Other Glass Containers	(3,929)			
GRAND TOTAL		9,206	\$183,540,000		

32x

NEW JERSEY BEVERAGE CAN
MANUFACTURING PLANTS

AMERICAN CAN	- East Brunswick
	- Edison
NATIONAL CAN	- Edison
	- Piscataway
CROWN CORK AND SEAL	- North Bergen
CONTINENTAL CAN	- Paterson (plastic arts plt. for can manufacturing process)
	- Wayne
REYNOLDS ALUMINUM	- Woodbridge
KAISER	- Woodbridge

1980 New Jersey Beverage Can Industry

6 companies	\$50,901,000 payroll
10 plants	1,924,000 taxes
1,652 employees	

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)

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	\$ 672,180
*2nd Vineland Kimble; OI Schott Process Systems, Inc.	1,678	\$ 31,803,627	\$ 40,597,760
**3rd Holmdel Lily	696	\$ 8,967,255	N/A
4th East Brunswick PBO (PPD)	127	\$ 2,538,258	\$ 15,770,380
8th Wayne Closure	82	\$ 1,669,190	\$ 2,837,400
***9th Moonachie FPD Box	53	\$ 3,322,708	\$ 14,036,840
***9th North Bergen GCD	528	\$ 12,455,923	\$ 19,374,550
15th Edison PPD	179	\$ 3,327,306	\$ 7,899,740
Subtotal Plants	4,877	\$ 98,820,766	\$198,471,400
Plant Offices and Other Operations in New Jersey...	50+	\$ 5,639,929	N/A
<u>T O T A L S</u>	4,927	\$104,460,695	\$198,471,400

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



Ball Corporation

345 South High Street, Muncie, Indiana 47302 (317) 747-6100

September 10, 1982

Mr. Algis P. Matioska
Office of Legislative Services
Room 305
State House Annex
Trenton, New Jersey 08625

Dear Mr. Matioska:

Enclosed is a statement on deposit legislation for inclusion in the record of the Assembly Energy and Natural Resources Committee's hearing on August 25, 1982.

Thank you for your assistance.

Sincerely yours,

A handwritten signature in cursive script that reads "Ken MacKenzie".

Ken MacKenzie
Director, Public Affairs

jh

Enclosure

Statement on Mandatory Deposit Legislation

Submitted to the
Assembly Energy and Natural Resources Committee
State of New Jersey

by

Frank P. Conway
Plant Manager
Ball Glass Container Group
Minue Street
Carteret, New Jersey 07008

August 25, 1982

My name is Frank Conway. I am plant manager at the Ball Glass Container Group facility at Carteret. I appreciate the opportunity to testify on beverage container legislation on behalf of Ball Corporation.

We employ 550 persons in the manufacture of a variety of glass food and beverage containers at the Carteret plant. Last year our payroll and benefits totalled \$9,957,000 and we paid \$262,177 in state and local taxes. Further information on our facility is attached to this statement.

My company is opposed to legislation which restricts the free market in packaging. In particular, we are opposed to laws mandating deposits on beverage containers. Such laws severely disrupt the beverage marketing and distribution system by forcing containers back to grocery stores. Costs rise dramatically for increased handling, storage, sanitation and transportation.

These added costs result in higher beverage prices, usually about 25 cents for a six pack of beer and soft drink. This does not include the 30 cents minimum deposit required. Understandably, beverage sales fall due to the higher prices and inconvenience.

The threat this poses to the container industry is obvious. New Jersey has an unusually high concentration of container plants -- seven glass container plants, nine beverage can plants and two plastic beverage container plants. Presently the container industry is in an overcapacity situation and is extremely competitive. Two glass container plants in New Jersey have closed within the past year, for example. More may close unless the economy picks up and the demand for containers grows.

We are doing everything we can at the Carteret plant to be competitive, and we plan to remain in operation for a long time. Nevertheless, the market situation is precarious and may become more so once the New York deposit law goes into effect. A mandatory deposit law in New Jersey as well may be a blow from which the container industry could not recover. In the New Jersey glass container industry alone, we are talking about more than 7,400 skilled jobs and a payroll in excess of \$155,000,000.

A severe negative impact on the container industry would result from any of the deposit bills introduced into the General Assembly -- including A. 1753. In addition to mandating a five-cent deposit, A. 1753 bans refillable beverage containers. Deposit advocates argue that this would not cause job losses in glass container plants because demand would remain high for non-refillable glass containers. This assumes, however, that job losses result primarily from the switch to refillable containers, at the expense of nonrefillables, that presumably takes place under a deposit law.

It's important to realize, therefore, that this assumption is false. Job losses are sustained primarily because of declining sales due to higher prices and inconvenience. Banning refillable containers would deprive consumers and beverage providers of the choice of a package now available. It would not prevent declining sales and the resultant job losses caused by a mandatory deposit law.

This is not to say that deposit laws do not affect beverage container and product mix. Many grocers eliminate local brands, for example, to avoid some of the added handling costs. Container mix can change dramatically also, but this depends on many factors and is very difficult to predict.

The one thing we can predict accurately is that costs will increase and sales decline comparatively. What's so distressing about this is that a mandatory deposit law is so unnecessary. The primary purpose of such laws is to reduce litter and solid waste. But they do neither effectively. While beverage litter is reduced somewhat, all other litter (80% of the total) remains. As for solid waste, a federal study committee estimates that a national deposit law would reduce the nation's solid waste by only two percent. The figure is so low because beverage bottles and cans make up only five to six percent of solid waste, according to the U. S. Environmental Protection Agency.

As you know, right here in New Jersey we have a much more promising approach to litter and solid waste reduction. The New Jersey Recycling Plan has a goal of recycling at least 25 percent of the state's solid waste during the next five years. This would do far more to help solve New Jersey's solid waste and litter problems than a deposit bill. Yet it does not disrupt beverage markets and thus avoids the job-threatening costs associated with deposit legislation.

The glass industry has already made impressive progress in recycling. In the last four years, glass recycling in New Jersey has expanded over 325%. In fact, during 1981 New Jersey led the nation in tons of glass recycled. The attached memorandum from the Glass Packaging Institute summarizes glass recycling in New Jersey.

At Carteret we are increasing the amount of glass recycled as rapidly as we can. Presently we are taking in approximately 1,075 tons per month, which is the equivalent of 25,800,000 pounds of cullet (crushed glass) per year. This represents about 24% of our furnace batch. We can use up to 50% cullet in our furnace batch without difficulty. We realize significant savings in raw material and energy costs, as well as a reduction in particulate emissions, from the use of cullet.

As you can see, we in the glass industry have every incentive to help make the New Jersey Recycling Plan work. Recycling reduces our operating costs and provides an effective alternative to mandatory deposit laws.

We at Ball Corporation pledge to work with others in the glass industry to increase recycling and reduce litter and solid waste. We ask in return that the General Assembly allow time for the New Jersey Recycling Plan to demonstrate its effectiveness before further consideration of mandatory deposit legislation.

Thank you for your time and consideration.



Information For:

Assembly Energy and Natural Resources Committee

Date August 25, 1982

Facility: Ball Glass Container Group
Address: Minue Street
Carteret, New Jersey 07008
Telephone: 201/969-1400

Key Personnel: Frank Conway, Plant Manager
Jim Tackney, Personnel Manager
Fred Kickey, Plant Buyer

Public Affairs Liaison: Frank Conway

Employees: 550

Nature Of Operation:

This facility manufactures a variety of commercial glass containers for the food and beverage industries. A 350-tons-per-day flint (clear) furnace feeds two 8-section and three 6-section glass forming machines. A 140-tons-per day green furnace feeds one 8-section and one 6-section glass forming machine. The 339,640 square-foot facility is located on a 33-acre site ten miles south of Newark.

The plant maintains an active recycling program, purchasing approximately 25,800,000 pounds of glass per year from local residents and recyclers. The glass is crushed into cullet and added to the furnace batch, saving raw materials and energy and reducing particulate emissions.

Operating schedule: 3 shifts per day, 7 days per week

Payroll and benefits: \$9,957,000 in 1981

State and local taxes: \$262,177 in 1981

History:

The facility was built in 1960 by the Metro Glass Bottle Company headquartered in Jersey City. It began operation with one flint furnace, but was enlarged with the addition of a green furnace in 1969.

The Metro company was purchased by National Dairy Products, forerunner of Kraft Foods, in 1956, and operated under the name of Metropak Containers Corporation until becoming part of Ball Corporation in April 1980.

Ball Corporation, best known for its home canning products, is a diversified manufacturer with primary emphasis on packaging products for food and beverages. The company employs more than 10,000 persons and has 26 domestic manufacturing facilities in 21 communities. The Carteret operation is one of Ball's six glass container plants. Its customers include such names as Kraft, Ocean Spray, Canada Dry, Lincoln Foods, & Coca-Cola.



**Glass
Packaging
Institute**

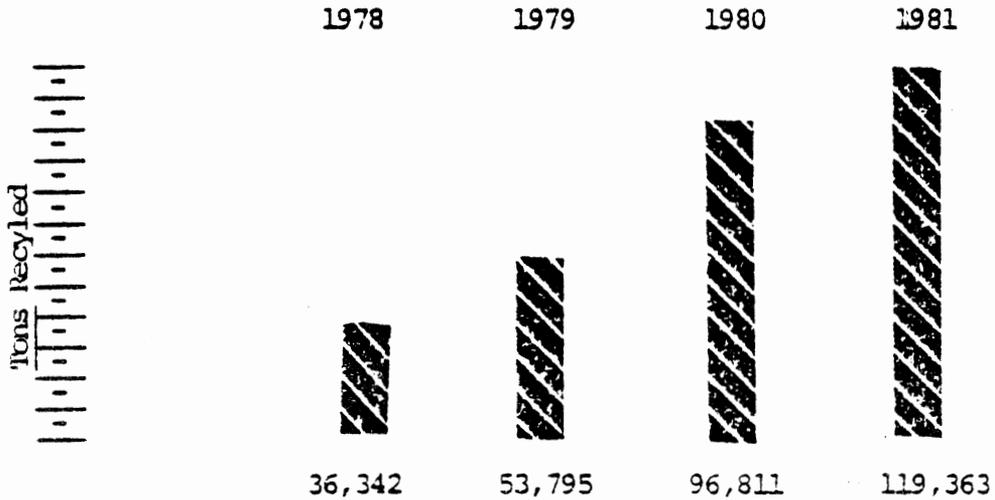
2000 L STREET N.W., SUITE 815
WASHINGTON, D.C. 20036
(202) 872-1280

MEMORANDUM

TO : New Jersey Recycling Forum
FROM : E. Gifford Stack ~~S.S.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.

RESOLUTION

Ocean County Mayor's Association

WHEREAS, the proposed bottle and container legislation before the New Jersey Legislature is basically to control litter of only glass and other soft drink and alcoholic beverage containers; and

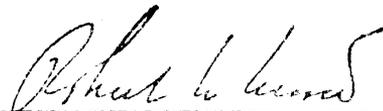
WHEREAS, this type of litter, while objectionable, may be only a much smaller percentage of the litter that is found along our streets and highways and generally throughout our municipalities; and

WHEREAS, it is necessary to pass legislation that will not be a financial and otherwise burden or be detrimental to the general public, the businessman or manufacturer; and

WHEREAS, this Mayor's organization is very interested in controlling litter, they are also very interested in a recycling program that would aid in controlling litter and also legislation and better enforcement of anti-litter laws.

NOW, THEREFORE, BE IT RESOLVED by the sixteen (16) Ocean County Mayor's present at a special meeting held on August 25, 1982 to discuss the proposed bottle bill, that this organization requests the legislature and the governor to be careful not to pass any legislation without considering the full impact such legislation will impose on the general public and businesses.

This Resolution was introduced by Mayor Benjamin Mable, Pine Beach; and seconded by Mayor Theodore Hutler, Ocean Township and unanimously passed by the sixteen (16) Mayor's present at the aforementioned meeting, and shall be distributed to the Legislature, the Governor of New Jersey, the League of Municipalities, the New Jersey Conference of Mayors, and the New Jersey Mayor's Association.



ROBERT W. NISSEN, Secretary
Ocean County Mayor's Association

CERTIFICATION

I hereby certify that the above Resolution is a true and correct copy of a Resolution adopted by the Ocean County Mayor's Association at a special meeting held on August 25, 1982.



ROBERT W. NISSEN, Secretary
Ocean County Mayor's Association



LEAGUE OF WOMEN VOTERS
CAMDEN COUNTY, NEW JERSEY

660 Maple Avenue
Haddonfield, New Jersey 08033

September 1, 1982

The Honorable Robert Hollenbeck
Chairman, Assembly Energy and
Natural Resource Committee
State House
Trenton, New Jersey 08625

Dear Mr. Hollenbeck:

The Camden County League of Women Voters urges your support for
Mandatory Deposit Legislation, Assembly Bill 1753.

Leagues throughout the State and the United States have supported
bottle bill legislation as a means to promote the recycling and
reuse of solid waste. This legislation will help to achieve a program
goal of forstalling the depletion of non-renewable resources.

Assembly Bill 1753 is unique. It contains provisions that will
help to preserve Cumberland County's glass industry, to stabilize
the industry's labor force and to complement New Jersey's
Recycling Act.

Yours truly,

Susan McNaughton
Director, Natural Resources

Karen Sidebotham
President



GREATER VINELAND CHAMBER OF COMMERCE

Vineland City Hall, Suite 202, P.O. Box 489, Vineland, N.J. 08360 • 609/691-7400

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Transamerica Occidental Life

August 31, 1982

Assemblyman Robert P. Hollenbeck
Chairman
Assembly Energy and Natural
Resources Committee
CN-042
State House
Trenton, New Jersey 08625

Dear Sir:

The Greater Vineland Chamber of Commerce urgently requests your careful consideration of the attached resolution.

Please reject forced deposit on glass containers. Passage would be a serious blow to the already reeling economy.

Give the New Jersey Recycling Act a chance to work.

Sincerely,

Marjorie G. Miller
President

MGM:rm

Attch.

cc: Mayor Patrick Fiorilli
State Sen. James R. Hurley

46x

MEMBER: Chamber of Commerce of the United States • N.J. State Chamber of Commerce
U.S. Department of Commerce Associate Office • Small Business Administration Resource Center

Serving Vineland for 60 years

A RESOLUTION OPPOSING FORCED DEPOSIT LEGISLATION FOR THE STATE OF NEW JERSEY

Whereas forced deposit legislation (I.E., requiring deposits on containers for beer and soft drinks) is a negative approach to the problems of litter reduction and solid waste disposal, leaving 80 percent of roadside litter untouched by its provisions.

Whereas in those states which have adopted such laws, the cost of beer and soft drink beverages has risen, jobs have been lost, and only a negligible improvement in the accumulation of roadside litter has occurred.

Whereas forced deposit legislation causes increased use of gasoline and diesel fuel, consumer inconvenience, sanitation and storage problems.

Whereas New Jersey already has a positive, workable alternative to forced deposits in the form of the New Jersey recycling plan, which became effective January 1, 1982, funded by a tax on the use of sanitary landfills.

Whereas the New Jersey recycling plan will go a long way to combat the State's litter and solid waste problems without increased consumer costs, inconvenience and economic/packaging industry disruption.

Whereas the negative forced deposit measure would negate the effectiveness of the positive New Jersey recycling plan.

Now therefore,

Be it resolved by the Greater Vineland Chamber of Commerce, State of New Jersey, that we urge the general assembly to oppose any current or future forced deposit proposals which come before it for the good of the State and the Northeast. We urge immediate "NAY" votes on forced deposit legislation in Senate/Assembly committees and complete support instead for the New Jersey recycling plan.

SIGNATURE AND TITLE

Mayance S. Miller, Pres.

DATE

8-31-82

LOCATION

RESOLUTION SUPPORTING PASSAGE OF
ASSEMBLY BILL NUMBER 1671

WHEREAS, many bottles and cans appear as litter on the roadway, sidewalks and in other public access areas; and

WHEREAS, in the opinion of the Township Committee of the Township of Plumsted a monetary deposit requirement on bottles and cans would help to alleviate the litter, its attendant dangers and the costs associated with its removal; and

WHEREAS, Assembly Bill Number 1671 would authorize a statewide public referendum question to be placed on the general election ballot; and

WHEREAS, said question would aid the New Jersey State Legislature in gauging public support for a monetary deposit requirement for empty disposable beverage containers made exclusively of recyclable aluminum or glass containers; and;

WHEREAS, the Township Committee of the Township of Plumsted, supports the concept of gauging public opinion through the referendum procedure;

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Plumsted, County of Ocean, State of New Jersey, as follows:

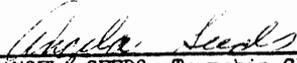
1. It hereby goes on record as supporting passage of Assembly Bill No. 1671 for the reasons set forth hereinabove. It hereby goes on records as requesting that Assembly Bill No. 1671 be reported out of the Energy and Natural Resources Committee so that it may be considered by the New Jersey State Legislature.

2. A certified copy of this resolution shall be provided by the Office of the Township Clerk to each of the Following:

- a) Energy and Natural Resources Committee of the New Jersey State Assembly
- b) All Ninth District Legislators
- c) Ocean County Board of Chosen Freeholders

CERTIFICATION

I, ANGELA SEEDS, Clerk of the Township of Plumsted, County of Ocean, New Jersey, hereby certify that the above is a true copy of a resolution adopted by the Township Committee of the Township of Plumsted on the 13th day of September, 1982.


ANGELA SEEDS, Township Clerk
Plumsted Township

Automatic Merchandising Council of New Jersey

A State Council of National Automatic Merchandising Association

1930 ISAAC NEWTON SQUARE BUILDING, ROOM 109, RESTON, VIRGINIA 22090, (703) 435 1210

September 7, 1982

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Belson Enterprises

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Coin Service Company

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B & C Vending, Inc.

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K & Z Garden State Vending, Inc.

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GENERAL MEETING
Lee Salant

P.A.C.
David Katz
Robert Singer

ASSOC. MEMBER COORDINATOR
Thomas La More

Mr. Al Matisoska
Assembly Energy and Natural Resource Committee
CN - 042
State House Annex
Trenton, New Jersey 08625

Dear Mr. Matisoska:

This letter is written on behalf of 83 vending machine companies which sell food and beverages through vending machines in New Jersey. The 83 companies are members of either the National Automatic Merchandising Association or the Automatic Merchandising Council of New Jersey. We oppose legislation that would require that a 5¢ deposit be paid on all beer and carbonated drink containers sold in the State of New Jersey. Here's why:

1) LITTER

The main reason many people support mandatory deposit bills is that they believe they will reduce litter. They will, but by how much, we don't know, and we suspect that very few people do know. Some people claim that a deposit bill will reduce litter in public places, by piece count, by as much as 60%. Others claim the figure will be only 5%. We accept the figure that comes from people with the most experience with a deposit law --- the people from Oregon, and they say litter reduced, by piece count, after the deposit law went into effect, by about 15%. And that's one of the major reasons we're against deposit legislation. That is, deposit bills offer a small solution to a big problem. They leave 85% of the problem still sitting there in the ditch --- the newspapers, the fast food packaging, the candy wrappers, the automobile tires, the boxes, crates, milk cartons, the empty cans of fruit juices, ice tea and other soft drinks not covered by deposit bills, in short, the millions of different kinds of products and packages for products which some people mindlessly discard in the wrong place when they're finished with them.

If litter is a big problem affecting the public in general, and we believe it is, then the solution should be a broad-based one in which everyone participates --- not just purchasers of carbonated drinks and beer. And we don't think it's fair to make a very small percentage of people, like those who make beer and carbonated drink containers, sacrifice so much, like loss of a good paying job, because some consumers don't care enough to put their empty cans or bottles in a trash basket.

We had a mandatory deposit bill here in Fairfax County, Virginia, from 1977 to 1979. It was just like the ones that have been introduced in New Jersey: The bill required a deposit on beer and soft drink containers that contained soft drinks made with carbonated water, so all the fruit juice containers were exempt. When people realized they could get some soft drinks without paying the deposit, they bought those instead of, say Coke. So one of the effects of the law was that we had fewer empty coke cans along the highways in Fairfax County --- and more empty Hawaiian Punch cans.

Mandatory deposit legislation is no longer in effect in Fairfax County.

Our vending machine company members do most of their business in inside industrial, office, hospital and similar accounts, where the factory worker, secretary, nurse or doctor consumes the product on the premises, not out on the roadside. When he or she finishes drinking the Coke or Pepsi or whatever, they put it in the trash can, and it's disposed of by the location's trash removal service. So the bulk of our customers don't contribute to the litter problem.

We think a broad based litter tax, like the one that's in effect in the state of Washington, makes a lot of sense. The tax is small because it's imposed on all generators of potential litter. The money is used to pick up the litter (under this tax jobs are created) and to make it easier to dispose of litter by placing more trash containers around the state, and to educate people not to litter. We've heard it's been effective, and it's fair, because everybody, manufacturers, wholesalers, and retailers of virtually all products, pay the tax.

Another broad solution to the litter problem is one that is already in effect in New Jersey, but hasn't been in effect long enough to determine its effectiveness -- the state's resource, recovery and recycling program. Why not give it a chance to work, and time to measure its effectiveness?

11) ECONOMICS

New York State just passed a mandatory deposit bill which will go into effect on July first of 1983. In anticipation of passage of this legislation, the state Commerce Department's Office of Planning and Development did an exhaustive study of the expected effects of the bill. One of the things the study predicts once the law goes into effect is increased retail prices for beer and carbonated soft drinks --- about 2.5¢ more for each can or bottle of carbonated soft drink. ("In total, the consumer would pay from \$186 million to \$194 million more per year for beverages in New York State under the mandatory deposit legislation.")

If the 2.5¢ figure is correct, and a bottle bill is passed in New Jersey, here's what will happen to vending machine prices in New Jersey: add the 5¢ deposit, plus the 2.5¢ price increase, plus the sales tax increase, and vending machine prices will have to be increased by 10¢ per unit. With some prices at 50¢, 55¢ and 60¢ already, those prices will go to 60¢, 65¢ and 70¢. Increased prices

Mr. Matioska
Page 3

as always in the past, will mean a decline in unit sales. And unit sales decline can mean job losses --- not many, but it could mean some. And one thing is certain, mandatory deposit legislation will not mean increased jobs in our industry.

111) INCOMPATABILITY

Returnable beverage container systems require people --- people to collect the deposit, accept the empty beverage container (if it's the right kind and it's clean) and pay back the deposit. Vending machines can't perform these functions, and the people we employ who can --- they're only at each vending machine location for a matter of minutes each day. In other words, for vending machine customers, it will be difficult at best to redeem the empty beverage container. And this is the customer, who we said earlier and we'll say again, is normally not littering the can or bottle.

SUMMARY

In summary, we in the food and beverage vending machine industry are opposed to mandatory deposit legislation because we believe the problem of litter is a big problem calling for a much larger solution than deposits on beer and soft drink containers; it's unfair to those men and women who make a living making beverage containers; our customers generally purchase their drinks in situations which do not lend themselves to a litter problem, so application of an anti-litter device to them is illogical; deposit legislation will force vending machine prices up, causing a unit sales decline in our industry, and deposit legislation is inherently incompatible with an industry that sells its product by machines.

I appreciate the time you take to read and evaluate this letter.

Sincerely,



Thomas E. McMahon
Executive Secretary

TEM/mg

ACME MARKETS, INC.

TESTIMONY BEFORE THE ASSEMBLY,
ENERGY AND NATURAL RESOURCES
COMMITTEE

PUBLIC HEARINGS ON MANDATORY DEPOSIT LEGISLATION

AUGUST 25, 1982

Chairman Hollenbeck, Members of the Committee:

My name is Walter P. Rubel, I am Counsel to Acme Markets, Inc. and a member of the Board of Directors of the New Jersey Food Council. Thank you for giving me the opportunity to present testimony to this Committee. I would like to share with you some of the concerns we at Acme have with mandatory deposit legislation. But first, let me tell you about Acme Markets.

Acme is a subsidiary of American Stores Company, a seven billion dollar a year retail company. Acme operates in seven Eastern states - Pennsylvania, New York, Delaware, Virginia, West Virginia, Maryland and of course, New Jersey. Acme has had stores in New Jersey for over ninety years and currently has one hundred stores in operation. We employ 6,264 people with an annual payroll exceeding \$70,000,000 million dollars. In addition to our retail stores, we have a food distribution center located in South Kearny and a regional office located in Whippany. During the past five years we have opened fourteen new stores and have completed remodeling thirty-two others in New Jersey. It is clear that Acme is committed to New Jersey and is here to stay. We at Acme are totally opposed to any form of mandatory deposit legislation. We feel it is an ineffective and much too costly way to fight the real problem which is the control of all litter, not just beverage containers. Beverage containers comprise only eleven to twenty percent of total litter and only five to six percent of all solid waste. In a recent study it was found that the average litter reduction in urban areas from mandatory deposit legislation states was fifteen percent compared with a forty-two percent reduction in states with total litter control legislation. It was found that in Michigan total litter decreased only ten percent immediately after enactment of the Bottle Bill and that in Maine total litter increased by 43.6 percent one year after enactment by that

state of a Bottle Bill. In addition, both Michigan and Connecticut, the two most populous states with deposit requirements, more money was spent for litter abatement for 1980 than in 1979 according to a survey conducted by Rural and Urban Roads, a magazine published for highway and public works officials and engineers. According to the survey, Connecticut spent almost two million dollars on litter abatement in 1980, an increase of almost one-half million dollars over 1979. Connecticut implemented its deposit law on January 1, 1980. Michigan spent more than 2.1 million dollars on litter cleanup in 1980, a \$105,000.00 increase over 1979. I think these figures plainly show that mandatory deposit legislation does not significantly impact the total litter problem.

MANDATORY DEPOSIT LEGISLATION IS ANTI-CONSUMER

At Acme we feel that consumers do not want mandatory deposit laws. This type of legislation is anti-consumer in that it has a dramatic impact on the cost and availability of beverages. Consumers in the six bottle bill states are paying for laws which only address up to twenty percent of total litter. In Connecticut, for example, the average cost of a six-pack of soft drinks increased from \$1.69 to \$1.97 within just a few months of implementation of the state's forced deposit regulation, according to an August 31, 1980 article in the Hartford Courant. The average cost of a six-pack of beer jumped 42¢, or \$1.68 a case not including the deposit. The price of forced deposits is even higher for the Michigan consumer according to a May 22, 1981 story published by United Press International "the generic beer advertised for \$4.99 in non-deposit Indiana sells for an average of \$10.00 here (in Michigan)" the story said. "State law prohibits importing more than one case without paying taxes, but it is widely flaunted." The script is the same in Iowa, according to an August 5, 1980 story in the Des Moines Tribune. "The bottle law costs Iowans at least \$20 million during its first year and that is a conservative estimate"

the story began. "That \$20 million, \$7.02 for every man, woman and child in the state represents costs which can be directly attributed to the (deposit) law."

The reasons behind these higher costs or hidden taxes are obvious: Retailers in bottle bill states are forced to incur tremendous costs associated with pest control and handling, sorting and storage of the returned containers in each state - these costs are swiftly passed along to consumers in the form of higher beverage prices.

It can also be expected that beverage distributors and retailers who are located in surrounding states will aggressively pursue the New Jersey consumers business. This will be done by simply advertising that beverages could be purchased for a lower price and minus a deposit by patronizing their establishments. By way of example, the effect of the Michigan state bottle bill on Ohio was recently reported as follows:

"Ohio does not have a bottle bill. Neighboring Michigan does. Retailers in northern Ohio prosper because of the Michigan bottle bill. Their Michigan counterparts do not. Edward Deeb, Executive Director of the Associated Food Dealers of Michigan illustrated this contrast in the December 1979 issue of Food and Drug Packaging: "Channel 7 in Detroit (Michigan) visited a retailer in Toledo (Ohio) to see what was happening. A Michigan resident walked into the store and ordered ten cases of mixed soft drinks and five cases of beer. The announcer asked this person "where are you from?" he said "well, I'm from Michigan". The announcer said "what do you come here for?" he said "I'm coming here because I can save \$2 or \$3 a case". Beverage sales along the New Jersey/Pennsylvania/Delaware border will decline because the deposit bill encourages consumers to cross the state line in search of cheaper, more convenient beverages. When consumers cross state lines to buy beverages, they don't limit their shopping to these products. All retail establishments, including grocery stores, department stores, restaurants and taverns can and will experience sales declines.

In 1980, thirty-one legislatures rejected mandatory deposit proposals. More than twenty did so in 1981. No state has ^{implemented} / a deposit law since Michigan in 1978. Since 1978, voters in five states - Alaska, Montana, Nebraska, Ohio and Washington have rejected mandatory deposit initiatives at the ballot box. Voters in Howard County, Maryland also rejected the deposit measure. In Montana and Ohio, seventy-two percent of the voters said "no" to forced deposits. In Nebraska, Washington and Howard County, close to sixty percent voted in opposition to deposit proposals. Consumers do not want mandatory deposit legislation.

SANITATION

The prime concern of grocery stores is the maintaining of the highest level of sanitation possible. Mandatory deposit legislation precludes operating grocery stores at the level of sanitation which we and our customers have come to expect. Insect and rodent infestation will become a serious problems in New Jersey's grocery stores resulting in the potential for a serious health hazard. An increased use of pesticides and rodenticides will be necessary to eliminate the vermin that is attracted to these bottles and cans. Beverage containers will come back to the stores dirty, unsorted and infested with insects and rodents. This sanitation problem is vividly illustrated by a February 23, 1982 memorandum circulated to all offices in the Connecticut General Assembly Building. This memo pertaining to the storage of beverage containers (copy attached) in requesting the removal of containers stated:

"This storage is causing roaches."

The storage of returned containers will definitely be a major problem. Backroom space is usually kept at a minimum. Grocery stores are not designed to provide the considerable space that would be needed to hold the returned containers until they are picked up by the beverage vendors. In order to comply, we would have to lease additional space or build onto the existing store. In

many of our stores, these alternatives are not available to us. We would then have to either close the store or allocate valuable selling space for returned containers. Any of these alternatives will mean increased prices for New Jersey consumers. By way of example, it has been estimated that the cost for capital improvements will range from \$20,000.00 for a small store to \$80,000.00 for one of the larger superstores. New Jersey consumers will ultimately have to pay all these costs.

ENERGY

Proponents of mandatory deposit legislation argue that deposit regulations would save thousands of gallons of gasoline per day. The exact opposite is true. Under existing statewide deposit systems, extra gas guzzling trucks must frequently be dispatched to pick up empty containers when regularly scheduled trucks are unable to handle the load. Deposit proponents often fail to acknowledge this tremendous and unnecessary waste of gasoline. For example, a major West Coast soft drink company recently discovered that its distribution operation in Oregon, (a deposit state) required twice as much gasoline as a similiar operation in non-deposit Washington state. The company's Washington operation required only 47.4 gallons per one thousand cases sold while its Oregon counterpart required 94.0 gallons per thousand cases as a result of the deposit law. A similiar consumption trend is evident in Michigan. In that state, gasoline consumption by distributors increased by an average of twenty-five percent per case of beer and thirty-two percent per case of soft drinks following the mandatory deposit bill's enactment. The Michigan percentages translate into 4,380,000 gallons of wasted fuel during 1979 alone. This amount of gasoline could fuel 6,820 passenger cars for 15,000 miles each, assuming a modest mileage rate of 17 miles per gallon. A New Jersey mandatory deposit law would be devastating in terms of wasted gasoline. Such a law would force distributors throughout the state to make thousands of extra trips to countless retail outlets that would be required to collect returned containers.

No one can know for sure the extent to which these trips would have to be made. It is clear, however, that millions of gallons of valuable gasoline would be needlessly wasted.

JOBS AND FORCED DEPOSIT LAWS

Proponents of the mandatory beverage container deposit law are fond of saying "someone has to pay the price".

The price of this so-called anti-litter device is unemployment, which can already be numbered in the thousands as a direct result of only six statewide deposit regulations.

These symbolic measures, commonly known as "bottle bills" have put more than one thousand skilled workers in the glass container industry out of work. Hundreds more in the can manufacturing industry have suffered the same fate.

Most of these men and women were working to support families. Deposit laws changed all that. Instead of working, many found themselves in the unemployment line, collecting money instead of earning it.

They are "paying the price".

For what is this price being paid?

- * A law that only reduces total litter by twenty percent at best.
- * A law that only addresses two forms of litter - cans and bottles.
- * A law that completely ignores the remaining eighty percent of litter - newspapers, fast-food wrappings, plastics, cigarette packages and filters, automobile parts and so on.

Mandatory deposit proponents argue that employment gains in other fields offset job losses in the bottle and can manufacturing industries. They fail to acknowledge, however, that many high-paying, skilled jobs are lost, while a few unskilled, minimum wage jobs are gained.

Under a deposit law, a father might lose his skilled manufacturing job, while his teen-age son might find a part-time, after school job helping a local

grocer clean up the mess created by the returned bottles and cans. Most families would reject such a trade-off -- if they were given the chance.

The deposit law equation is not limited to the personal tragedy of unemployment. Inflation, in the form of substantially higher beverage prices, results when non-productive jobs replace productive manufacturing jobs.

For example, bottlers in deposit states must hire additional drivers to retrieve the empty containers even though total beverage sales remain stable. Grocers are forced to hire workers to clean and sort the containers. The costs associated with these non-productive jobs are swiftly passed on to consumers.

Forced deposit laws are in effect in six states: Connecticut, Iowa, Maine, Michigan, Oregon and Vermont. The resulting unemployment was particularly painful in Connecticut and Michigan, where more than eight hundred workers "paid the price".

Connecticut, which enacted its deposit measure in January 1980, was the first state to establish a compensation allowance for workers who lost their jobs because of a statewide deposit law. However, the legislature did not anticipate the large number of jobs that would be lost (approximately five hundred fifty) and consequently found the program too expensive to maintain.

As a result, Connecticut now holds the dubious distinction of becoming the first state to establish and then scrap a deposit-related compensation program. The program was costing the state more than \$10,000.00 a week and would have cost more than \$400,000.00 next year.

Citing the potential loss of as many as nine hundred jobs, Massachusetts Governor Edward J. King vetoed a deposit bill in July 1979. Unfortunately for Massachusetts the impact of deposit laws in surrounding states resulted in the February 1981 closing of the Owens-Illinois glass plant in Mansfield, Massachusetts.

Michigan's deposit law, enacted in late 1978, has been equally devastating. In April 1979, a leading glass container manufacturing firm was forced to layoff one hundred sixty workers at its Charlotte, Mich., plant while a can manufacturing firm closed its suburban Detroit facility, idling another seventy-three workers. A glass manufacturing plant in neighboring Indiana reported laying off forty employees as a direct result of the Michigan deposit law.

The reasons behind these job losses are obvious. As demand for new containers ebbs, bottle and can plants serving a deposit state are forced to curtail operations or shut down completely.

It is no surprise that a number of AFL-CIO unions, including the Steel Workers, Aluminum Workers, American Flint Glass Workers and Glass Bottle Blowers, actively oppose mandatory deposit regulations.

Their members "pay the price". I urge you not to ask your constituents to also "pay the price".

Never having had to live with a bottle bill, I recently took a trip to Connecticut to see for myself what life was like in a bottle bill state. Every single person I spoke to, either consumer or retailer, wanted to have the Connecticut bottle bill repealed. So that the members of the Committee might get a feeling for what life is like for both retailers and consumers in a deposit state, I have included and attached to my testimony photographs of what I saw. I think the pictures speak for themselves, however, I would like to point out that they were taken on a Wednesday which was described to me as the slowest day for beverage container returns. I would only ask you to project a store having ten to fifteen times as many beverage container returns as you see in the pictures.

In conclusion, let me state that Acme Markets, Inc. and the New Jersey Food Council completely and fully support the New Jersey recycling act which was passed in the New Jersey legislature in September 1981 without a single dissenting

vote. Barbara McConnell, President of the New Jersey Food Council, said in her earlier testimony to you: "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." The New Jersey Recycling Act addresses all recyclables - paper, glass, metal, plastic, used motor oil and food wastes, not just beverage containers. It is clearly a much more comprehensive approach to a very complex problem. The success of the recycling act has been shown by the fact that one year after its passage, the number of communities operating recycling programs increased from two hundred fifty to four hundred. The recycling statistics themselves are startling. New Jersey is leading the nation in the amount of glass containers being recycled. In 1981, New Jersey recycled 119,363 tons of glass, up from a total of 42 tons in 1978. It is clear that the New Jersey Recycling Act is working. However, proponents of mandatory deposit legislation claim that forced deposits on beer and soft drink beverage containers will result in great reductions of solid waste, which reductions will be in addition to the recycling efforts of comprehensive litter control programs. Unfortunately, that is not the case. The United States Congress' office of Technology Assessment in May of 1977, issued a report stating: "Container legislation may harm resource recovery plans by removing saleable items with relatively high value, vis., aluminum and steel, and other economic incentives may be required to offset this loss. Beverage container deposit legislation may be counterproductive in expediting environmentally acceptable disposal of the organic fraction of waste". In effect, the U.S. Congress has stated that comprehensive litter control programs which have proven to be very effective will be negatively impacted by the passage of mandatory deposit legislation.

In conclusion, I respectfully urge you to continue your commitment to the recycling plan, an Act that is in effect and to reject forced deposit legislation in New Jersey.

Connecticut General Assembly

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J. PETER WALDRON
Assistant Director
for Fiscal Affairs

TO: All Offices
FROM: J. Peter Waldron *PW*
RE: Storage of Empty Cans and Bottles
DATE: February 23, 1982

It has been brought to my attention by the maintenance people that some offices are storing a considerable number of empty cans and bottles. This storage is causing roaches. The Maintenance Department will be instructed that all cans will be removed from each room on Sunday night of every week.

J.PW:GLJ

Statement By
NEW JERSEY CONVENIENCE STORES ASSOCIATION
Before
ASSEMBLY ENERGY AND NATURAL RESOURCES COMMITTEE
PUBLIC HEARING ON BEVERAGE CONTAINER DEPOSIT LEGISLATION
Delivered By
WARD WETTLIN, Executive Director
Wednesday, August 25, 1982

Chairman Hollenbeck, members of the Committee, my name is Ward Wettlin and I am the Executive Director of the New Jersey Convenience Stores Association.

No doubt, all of you, at one time or another, have patronized one or more of our member stores, since we represent such chains as Cumberland Farms, 7-Eleven and WaWa. Our Association also includes several regional chains and a number of small, independent grocers--the so-called "Mom and Pop" stores.

We know that your Committee has already received extensive comments on proposed beverage container deposit legislation from many organizations including one whose position we endorse--the New Jersey Food Council. Since you already have heard how this type of legislation would affect supermarkets, I'll concentrate today on how the average "Mom and Pop" or convenience store owner views these proposals.

We realize that, in questioning the wisdom of such legislation, we expose ourselves to rather extreme charges levied by some environmentalists. I'm talking about those who view any opponent of mandatory deposit legislation as part of some vast conspiracy to business interests whose concern for profits totally blinds them to the ugly problem of litter.

We want you to know that convenience store operators are just as concerned about litter as anyone else. We have chosen to live, work and raise families in New Jersey and thus have a personal stake in keeping our state clean and attractive. We are appalled by the inconsiderate few who feel no compunction in tossing empty cans from their cars or dropping fast-food wrappers in parking lots.

Frankly, if we believed--as supporters of these bills obviously do--that deposit legislation was a simple way to wipe out litter in New Jersey, we would not be appearing before you today. The unfortunate truth, as we see it, is that the promise of a few pennies for a returned bottle or can is not going to deter litterbugs from their sloppy habits. What it *may* do is to encourage others to collect discarded bottles and cans. But that, of course, still leaves much of the litter behind.

We think there are two important questions which underlie this issue: First, what is the economic cost of such legislation?, and second, Is there an alternative to mandatory deposit laws?

The answer to the second question, frankly, lies beyond the expertise of our Association. However, we are encouraged by the enormous progress which the state has made within one year of the passage of legislation to encourage recycling. The state's Office on Recycling reports that already some 400 individual programs are in effect in close to 300 communities. We understand that the state recycling plan not only involves cans and bottles but also targets paper, used motor oil and food wastes. It occurs to us that, with the encouragement and cooperation of both the private and public sectors, this organized and professional

effort offers a far greater potential for litter reduction (not to mention material for energy conservation) than any store-redemption plan could ever hope for.

As to the first question regarding the cost of such legislation, small store owners will tell you without hesitation that the mandatory redemption of bottles and cans (which would turn each of our stores into a recycling center) would not only disrupt their businesses but also could result in serious economic damages. Simply put, mandatory deposit legislation will make it much more costly for a small store owner to do business in New Jersey.

To appreciate the seriousness of our claim, you must understand that small grocers, all of whom work within a very tight profit margin, may be forced to shoulder a disproportionate share of the financial burden. At present, about 40% of all beverages sold in the food industry are sold by convenience stores and "Mom and Pop" operations. With a total of 3,500,000,000 beverage containers sold in New Jersey last year, that would mean that one- or two-clerk operations would be responsible for receiving, counting, reimbursing,, sorting, stacking and storing of up to 1,400,000,000 containers annually. And that's assuming that they redeemed only those containers which they originally sold. Theoretically, the burden for convenience stores is staggering, but we fear that in reality it could be even worse. That's because, although many beverage containers would be bought during weekly shopping trips to large supermarkets, they likely will be redeemed by younger members of a family during the week at the most "convenient" location--likely the "Mom and Pop" store at the corner.

The popularity of convenience stores is due primarily to the fact that they are close-by, open more hours a day than most supermarkets, and easier to get in and out of. Quick trips may no longer be the norm, however, if the checker previously available to ring up your bread and milk purchase is now busy redeeming empty bottles and cans.

And where will those bottles and cans go? Convenience stores make money based on their efficiency; that is, the ability to reduce overhead by displaying a large variety of products "out front" while maintaining the minimum "backroom" storage space. Beverage container returns would force either a loss of display space or storage room--both very costly to a small grocer.

On top of these factors, there's a potential increase in labor costs to handle the returns, a negative cash flow factor (which poses a special burden for the "Mom and Pop" owner who could find himself paying redemptions on far more containers than he sells) and finally, the very serious problem of sanitation. The sugary residue in soda bottles, for example, is a virtual magnet for ants, flies and roaches. Before the passage of bottle bill legislation in Connecticut, small store owners there used the services of professional exterminators an average of once per three to five week periods. Many of the same stores are now being sprayed at a minimum of once a week. Such spraying is not only costly but its frequency raises a host of other health-related questions.

Many convenience stores are franchised operations, owned and operated by small businessmen whose success, as we

mentioned before, is subject to an extremely tight profit margin. Small grocers in New Jersey make a valuable contribution to our state's residents by supplying needed products in a convenient setting at reasonable costs. We also contribute to the state's general economy by providing local employment and generating substantial tax dollars.

Mandatory container deposit laws, for all the reasons I have noted, directly threaten the small grocer's ability to operate. That is why the New Jersey Convenience Stores Association opposes such legislation and urges this committee to support the state's recycling plan which offers a more reasonable, far-reaching and cost-effective approach to litter control.

UNIMIN

Unimin Corporation
P.O. Box 145, Millville, New Jersey 08332
Phone: (609) 785-2700

25 August 1982

Gentlemen:

My name is Gary Dietze, I am Plant Manager for Unimin Corporation's Dividing Creek Plant. Unimin is a miner and processor of high quality silica sand employing 45 people in the local area. Our business is almost wholly dependent on the glass container industry.

The passage of the promulgated legislation currently before the State legislature to regulate the use of beverage containers will accomplish several things, none of which is the one which they are intending to do:

1. These laws will increase unemployment in an area where unemployment is already 17+%. The fifth highest in the nation. This increased unemployment would not only affect the work force of the glass industry, the area's largest employers, but the many employees of sand industry and the many support industries whose businesses rely heavily on the glass container producers. New Jersey and particularly South Jersey does not need ~~redundant~~ higher unemployment.
2. They will increase consumer pricing at a time when inflation is just beginning to slow and put beverages beyond the reach of some consumers.
3. The legislation will place an undo economic burden on retailers thereby further contributing to inflation.
4. Will reduce the supply of glass cullet, a necessary yet expensive ingredient to the efficient manufacture of glass containers.
perhaps

What is ~~more~~ important is what these bills will not do. That is, reduce the amount of litter along this State's roadways. Look around you as you drive, the most obvious litter is not beverage containers, but paper, plastic and foil.

68x



25 August 1982

Page 2

There is already an existing law among the New Jersey Statutes to deal with beverage container litter. It is necessary that we support active effective recycling in this State not a returnable beverage container law.

We strenuously urge the legislature to reject this promulgated legislation and future similar measures and urge that they adopt a position which actively encourages, supports and implements an effective workable recycling system.

Sincerely,

UNIMIN CORPORATION

Gary Dietze
Plant Manager

GD/paw

STATEMENT OF DANIEL ROBERT OLIKER

PLANT MANAGER, OWENS-ILLINOIS, INCORPORATED

NORTH LAUREL ST., P. O. BOX 10
BRIDGETON, NEW JERSEY 08302
(609-451-6800)

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, MY NAME
IS DANIEL ROBERT OLIKER. I AM MANAGER OF THE OWENS-ILLINOIS,
INCORPORATED GLASS CONTAINER PLANT AT BRIDGETON, NEW JERSEY.

OUR BRIDGETON PLANT IS JUST ONE OF THE TEN MANUFACTURING
FACILITIES WE HAVE IN NEW JERSEY EMPLOYING OVER 4,000 PEOPLE
WITH A PAYROLL EXCEEDING \$104,000,000 PER YEAR. OWENS-ILLINOIS'
PLANTS PURCHASE OVER \$197,000,000 IN GOODS AND SERVICES AND IN
1980 PAID IN EXCESS OF \$8,700,000 IN STATE AND LOCAL TAXES.

OUR GLASS PLANT IS JUST ONE OF TEN SUCH FACILITIES
OPERATED BY NINE DIFFERENT COMPANIES IN NEW JERSEY. THIS MAKES
US THE NATION'S LEADER IN THE PRODUCTION OF GLASS CONTAINERS
WITH A TOTAL GLASS CONTAINER INDUSTRY EMPLOYMENT IN EXCESS OF
9,000.

OWENS-ILLINOIS IS ADAMANTLY OPPOSED TO ANY LEGISLATION WHICH WOULD FORCE DEPOSITS ON SOFT DRINK AND BEER CONTAINERS.

WHILE THE ARGUMENTS, BOTH PRO AND CON, RELATIVE TO FORCED DEPOSITS WERE INITIALLY BASED UPON SPECULATION, THE ISSUE HAS BECOME HIGHLY EMOTIONAL IN LIGHT OF RESULTS IN INDEPENDENT STUDIES CONDUCTED IN STATES WHERE SUCH LAWS HAVE BEEN PASSED. THE COMMITTEE HERE MUST SEPARATE A MAZE OF ALLEGATIONS AND OPINIONS TO DETERMINE THE ACTUAL FACTS WHICH HAVE COME TO LIGHT FOLLOWING PASSAGE OF SIMILAR LAWS IN OTHER STATES. THE ECONOMIC REALITIES WOULD APPEAR TO OUTWEIGH THE MINIMAL BENEFIT GENERATED BY SUCH LEGISLATION.

THE DISTRIBUTION SYSTEM IN THIS COUNTRY IS THE MOST HIGHLY DEVELOPED AND FINELY TUNED OF ANY NATION IN THE WORLD. THE VARIETY, AVAILABILITY AND QUALITY OF BEER AND SOFT DRINK PRODUCTS IS UNRIVALED. IN ADDITION, THIS IS ALL DONE FOR THE LEAST PERCENTAGE OF DISPOSABLE INCOME THAN ANY COUNTRY IN THE WORLD. I HAVE ALWAYS TAKEN PRIDE IN PRODUCING HIGH QUALITY, COST EFFECTIVE GLASS PACKAGES AS PART OF THIS SYSTEM.

NOW I AM BEING TOLD THAT WHAT I HAVE BEEN DOING IS WRONG. I AM BEING TOLD THAT WHAT I DO IS "SYMBOLIC" OF OUR THROWAWAY SOCIETY. THAT I AM CONTRIBUTING TO LITTER AND SOLID WASTE AND THAT THE SOLUTION OR ANSWER IS IMPOSITION OF A STATEWIDE FORCED DEPOSIT SYSTEM...A SYSTEM THAT WILL CAUSE MY INDUSTRY AND OTHER SUPPORT INDUSTRIES TO SUFFER SEVERE ECONOMIC DISRUPTION, WITH THE POSSIBILITY THAT MANY PEOPLE LOSE THEIR JOBS. THIS JUST ISN'T FAIR.

FIRST, ON PHILOSOPHICAL GROUNDS THIS ISN'T RIGHT. FORCING A DEPOSIT BY LAW ON A PACKAGE OR MATERIAL BECAUSE IT ENDS UP AS LITTER OR SOLID WASTE WOULD MAKE THE MOST SENSE ON NEWSPAPER, A MUCH LARGER FACTOR IN BOTH CATEGORIES, YET I KNOW OF NO BILL INTRODUCED TO ACCOMPLISH THIS.

IT SEEMS LIKE THERE IS A STRANGE NOSTALGIA TO RETURN TO THE "GOOD OLD DAYS" OF THE REFILLABLE BOTTLE, YET UPON CLOSER EXAMINATION I FEEL IT ELITIST TO DEMAND THAT CONSUMERS GIVE UP THE GAINS IN CHOICE, VARIETY, CONVENIENCE, COST AND QUALITY BY LEGISLATIVE MANDATE FOR PERCEIVED AND SYMBOLIC SOCIAL BENEFITS.

I HAVE REVIEWED MANY OF THE SO-CALLED LITTER STUDIES. THEY ALL SAY BASICALLY THE SAME THING---THAT 16-20% OF ALL LITTER IS BEVERAGE RELATED BASED ON PIECE COUNT. FORCED DEPOSIT PROONENTS WANT TO SAY BEVERAGE RELATED LITTER IS 40% BY VOLUME TAKING THE PIECE COUNT AND MULTIPLYING BY SOME GUESSED-AT VOLUME EQUIVALENT. IT IS RIDICULOUS TO ME TO TAKE A PROBLEM AND BANDY AROUND GUESSED-AT NUMBERS TO JUSTIFY DEVASTING AN INDUSTRY WHOSE ROOTS ARE HERE IN THE STATE OF NEW JERSEY. IF WE HAVE A PROBLEM, LET'S WORK TOGETHER AND SOLVE IT.

I WOULD LIKE TO SAY SOMETHING ABOUT JOBS. TODAY THE COMMITTEE IS MEETING IN AN AREA OF THE STATE WHERE UNEMPLOYMENT IS 17.7%, PLACING IT 5TH ON THE NATION'S "UNEMPLOYMENT DISASTER" LIST. RIGHT NOW MY PLANT AS WELL AS THE ENTIRE GLASS INDUSTRY IN NEW JERSEY, IS FACED WITH EXCESS PRODUCTION CAPACITY. RECESSION AND COMPETITIVE ATMOSPHERE HAS TAKEN ITS TOLL IN LAYOFFS. FORCED DEPOSIT LEGISLATION WILL RESULT IN

JOB LOSSES OF 1,300 TO 1,700. (NOTE: SCENARIO IV ACCORDING TO DONOVAN IMPACT). MOST OF THESE JOBS ARE LOCATED RIGHT IN THIS PART OF THE STATE.....THEY ARE GOOD, HEAD-OF-HOUSEHOLD JOBS.

PRICE IS A COMPLICATED ISSUE, BUT LET ME ASK YOU TO THINK ABOUT THIS----THE COSTS FOR THE RETAILER AND WHOLESALER TO HANDLE, SORT, TRANSPORT AND CLEAN CONTAINERS MUST BE PAID BY SOMEONE----THAT SOMEONE IS THE CONSUMER.

I BELIEVE THAT THE STATE OF NEW JERSEY HAS A UNIQUE OPPORTUNITY TO WORK NOT ONLY WITH THE GLASS INDUSTRY, BUT PAPER COMPANIES, CAN MANUFACTURERS, BEER AND SOFT DRINK BUSINESSES AND MANY OTHERS TO SOLVE THE PROBLEMS THAT GIVE RISE TO FORCED DEPOSIT LEGISLATION. OPPORTUNITY LIES IN THE NEW JERSEY RECYCLING ACT. O-I BELIEVES IN THE RECYCLING ACT, HAS PLEDGED ITS SUPPORT AND HAS GONE INTO ACTION.

WHAT HAS THIS ACTION MEANT? IT MEANT THAT OWENS-ILLINOIS HAS CONSTRUCTED A \$600,000 GLASS PROCESSING UNIT AT OUR NORTH BERGEN, NEW JERSEY LOCATION, AND THOUGH WE WERE FORCED TO SHUT DOWN GLASS PRODUCTION AT NO.BERGEN, WE HAVE KEPT THE RECYCLING STATION

OPEN. WE MAINTAIN THE SAME PROCESSING CAPABILITY IN THE SOUTHERN PART OF THE STATE THROUGH A PRIVATE RECYCLER WHICH WAS ESTABLISHED WITH THE HELP OF A \$150,000 O-I LOAN. WE HAVE PUSHED UP THE PRICE PAID FOR RECYCLED GLASS TO INCREASE ITS RETURN INTO THE RECYCLING STREAM. WE ARE WORKING WITH SEVERAL PRIVATE RECYCLERS WITH EQUIPMENT AGREEMENTS IN CONJUNCTION WITH LOW-INTEREST LOANS TO SPREAD THE MARKET AVAILABILITY FOR GLASS RECYCLING TO THE PUBLIC. GLASS PLANTS IN NEW JERSEY RECYCLED 119,363 TONS OF GLASS, A 23% INCREASE OVER 1980. THIS IS BY FAR THE HIGHEST QUANTITY OF GLASS RECYCLED OF ANY STATE IN THE UNION.

IN CONCLUSION, LET ME SAY THERE CAN BE LITTLE DOUBT THAT JOBS HAVE BEEN LOST IN THE GLASS INDUSTRY DUE TO FORCED DEPOSIT LEGISLATION. WITH NEW JERSEY HAVING THE LARGEST CONCENTRATION OF GLASS MANUFACTURING IN THE UNITED STATES, THE IMPACT WILL BE MAGNIFIED, ESPECIALLY SO IN THIS AREA ALREADY DECIMATED BY UNEMPLOYMENT. THE NEW JERSEY GLASS INDUSTRY HAS YET TO FEEL THE EFFECT OF THE RECENTLY SIGNED

NEW YORK BOTTLE BILL---BUT WE CERTAINLY WILL. THE PROBLEMS
WOULD ONLY BE COMPOUNDED BY PASSAGE OF A SIMILAR PIECE OF
LEGISLATION HERE.

WE HAVE IN PLACE A VIABLE SOLUTION IN NEW JERSEY
ALREADY WITH THE NEW JERSEY RECYCLING PLAN. THE RECYCLING
ACT WAS PASSED WITHOUT A DISSENTING VOTE. IMPLEMENTATION IS
ONLY SEVEN MONTHS BEHIND US AND IT IS WORKING. WE SEEK THIS
COMMITTEE'S ACTIVE SUPPORT TO WORK WITH US IN PURSUING THE
GOALS OF THIS ACT. WE BELIEVE WE CAN ACHIEVE MORE LASTING
RESULTS WITHOUT THE DAMAGING RESULTS OF FORCED DEPOSITS.
FORCED DEPOSITS ARE WELL INTENTIONED BUT A MISTAKE. AS A
COMPANY, OWENS-ILLINOIS IS TOTALLY COMMITTED TO THE GOALS
OF THE NEW JERSEY RECYCLING ACT.

THANK YOU.

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76x

TESTIMONY OF THE HON. JOHN J. TARDITI, JR.
OF THE CAMDEN COUNTY SOLID WASTE ADVISORY COUNCIL
ON PROPOSED MANDATORY DEPOSIT LEGISLATION
SPONSORED BY THE ASSEMBLY COMMITTEE ON ENERGY
AND NATURAL RESOURCES

My name is John J. Tarditi, Jr. I am testifying on mandatory deposit legislation as Chairman of the Camden County Solid Waste Advisory Council, and also as the Mayor of the Borough of Haddonfield. On behalf of both organizations, I thank you for the opportunity to present our views for your consideration.

We in Camden County, much like New Jersey's twenty other counties, have been spending a lot of time, effort, and money to solve the problems associated with the disposal of solid waste. The economic and environmental dilemma that we now find ourselves in is a direct consequence of our dependency on landfilling as the primary method of disposal. These problems are fairly well documented so that I will not dwell on them here. Suffice it to say that the magnitude of the problem is such that Camden County has embarked upon a long range, multi-faceted program of waste disposal and management that we consider more economically palatable and more environmentally acceptable than the current process of burying our solid waste.

These long range plans include both the recovery of energy from our solid waste through high temperature incineration, as well as materials recovery through the source separation of the municipal waste stream.

I should point out that in Camden County although energy recovery is still several years away, source separation is very much a reality. We are very proud of the fact that nine of the thirty-seven Camden County municipalities have curbside recycling collections, many of them at the urging, and with the assistance of the county government that I represent. In addition to the local support recycling has received, passage of the New Jersey Recycling Act at the State level also must receive credit for the increased levels of municipal recycling.

With the experience garnered over the years, and with so many recycling programs already in place, we feel that we in Camden County qualify as experts on the effects that recycling has on solid waste disposal. We have seen firsthand the savings in landfill fees, landfill space, and collection costs that recycling can effectuate. Conversely we have also seen what municipal recycling has not or cannot accomplish. One of these areas is litter abatement.

The legislature acted very wisely when it passed the Recycling Act last year, with its series of taxes, loans, and grants. It recognized the need to establish financial incentives as a means of encouraging recycling. Passage of mandatory deposit legislation would be equally as prudent

since it too attempts to alter bad habits through financial incentives, namely the redeemable deposits. The two pieces of legislation are very similiar in approach, yet address vastly different problems. However, I often find that people confuse the two.

We often hear it said that deposit legislation is an inadequate method of recycling because it encompasses only a small portion of the waste stream. This is partly true because deposit legislation is not meant as an answer to increased recycling, but rather a solution to our profound litter problem. We already possess an effective method of encouraging recycling, the Recycling Act. What we now need is an effective measure for litter control to coincide and complement the fine recycling activities currently operating. In my view, mandatory deposit legislation and the Recycling Act should be viewed as complementary, each offering an effective solution to its respective problem areas.

It is generally agreed upon that beverage containers constitute anywhere from 5-8% of the municipal waste stream. The removal of these materials from the municipal waste stream via deposit legislation could bring about significant savings in landfill capacity, tipping fees, and collection costs. This is especially true if instituted in conjunction with the recycling of other materials such as paper. Another practical effect of diverting beverage containers from the waste stream

through deposit legislation, would be to allow the substitution of other recyclables into the collection scheme in place of these beverage containers. What better way to encourage the recycling of materials with little or no market value such as yard waste, than under the Recycling Act's series of economic incentives? The problem has been that rarely is a community in a position to collect these materials because of all the time and money being spent on recycling beverage containers. Furthermore, if we really believe that the most significant savings attributable to recycling is through cost avoidance at the landfill, than removal of these materials from recycling programs and thus loss of their revenue, should not concern us. The landfill savings would still be there since the material still will be kept from the landfill, in addition to significant savings realized by not having to collect these materials.

Recognizing that deposit legislation is not a panacea, and that there are significant hurdles to be overcome with deposit legislation, the Solid Waste Advisory Council of Camden County, through the work of its Recycling Sub-Committee, has developed several specific recommendations that we feel will minimize any problems and enhance any deposit legislation effort in New Jersey. I should note that the Recycling Sub-Committee is chaired by my fellow Mayor, Millard Wilkinson of Berlin Borough.

The first and most important of these elements is the stipulation that the malt and carbonated beverage containers be recyclable and not simply refillable. This will accomplish

several things. The most important of these is to ensure that these materials are in fact kept from the landfill. For example, refillable glass containers ultimately lose their usefulness as reusable containers and can therefore still wind up in a landfill. Under our proposal this very same glass container would be processed after redemption and returned to the manufacturer as cullet and truly recycled as now practiced.

Another result that requiring recyclable, rather than refillable containers would have, is to minimize any duplication of effort by establishing a homogeneous method of processing all of these materials. Rather than having some containers refillable (ie. malt and soft drink containers), and some containers recyclable (ie. food containers, or unredeemed beverage containers), we will now have all recyclable containers.

Finally this requirement should minimize any adverse impacts that the container manufacturers might feel, especially glass, since it establishes a processing system that they can already accommodate. In South Jersey, we are particularly sensitive to the impact on our neighbors in the glass industry.

The second point that we feel needs to be included in any mandatory deposit legislation is that all materials used as beverage containers should be covered by the deposit requirement. This means that plastic as well as glass and aluminum is included. The integration of plastic bottles into the beverage market is a reality that should not be ignored, and since they too are recyclable we believe they should be included. Again we feel that this stipulation will not discriminate against any particular manufacturer.

The third and final point of our recommendations involves the remuneration to the manufacturers, distributors and retail establishments for added costs attributable to mandatory deposit legislation:

- Displacement or loss of jobs by the container manufacturers is one cost. Whether employees change jobs or lose them, retraining is something we feel is appropriate to provide for them.
- Increased storage and handling costs is another common effect of deposit legislation, especially for retail establishment. Compensation for this should also be provided.

An appropriate source of revenue for both of these costs, is the large number of unredeemed deposits that have proven as high as 30% in some states. We feel this would be a valuable use of a portion of these funds in addition to their use in defraying some of the administrative costs that are required to establish and maintain this program.

The other source of revenue that we feel appropriate to help pay for these costs is the per/container handling fee paid by the distributors to the retailers as contained in several of the proposals before us today. The distributor may of course recoup these expenses through increasing the cost of their product. This is as it should be.

I do not pretend that there are not significant costs associated with legislation of this sort. This is a proper and necessary consequence of properly resolving a problem,

and litter is indeed a problem in New Jersey. Does anyone dare calculate the cost to New Jersey of establishing a recycling program for beverage containers in each of New Jersey's municipalities?

Imagine the money and manpower expended in more than 500 separate collection programs statewide. That I submit, is a cost New Jersey cannot afford to bear.

New Jersey also has the good fortune to be able to evaluate and learn from the deposit legislation experience of several other States. According to the New Jersey Chapter of the Sierra Club, enactment of deposit legislation in States such as Maine, Vermont, Oregon, Michigan and Oregon have shown the following results:

- 85% reduction of beverage container litter including broken glass.
- 40% reduction of total litter.
- 6% reduction of municipal solid waste going to landfills.
- in Michigan, 4,500 jobs were created by the deposit system, mostly in urban areas.

With this sort of a proven record in other states, we may feel relatively comfortable that enactment of mandatory deposit legislation will in fact reduce New Jersey litter.

We have a unique opportunity here in New Jersey to adequately address two of our biggest problems, solid waste disposal and litter. Through the Recycling Act we are helping to solve the former, the latter can only be properly eschewed through mandatory deposit legislation. Hopefully I have helped to show that the

two go hand in hand and that a choice between them need not be made as some would advocate.

Again I thank the members of the committee for the opportunity to present my views on this extremely important issue.

southern new jersey development council

one new york avenue atlantic city, new jersey 08401 609/344-4163

Testimony of

Linda K. Joseph, Executive Director

Southern New Jersey Development Council

before the Assembly

Energy and Natural Resources Committee

at

Millville High School

August 25, 1982

My name is Linda Joseph and I am Executive Director of the Southern New Jersey Development Council. The Council, a non-profit organization representing business, industry, and government, promotes economic growth and seeks to enhance the economic climate for existing businesses in the eight counties of Southern New Jersey. Representing over 200 organizations, the Council serves as the leader in coordinating regional development activities among businesses, local and county governments, and community organizations.

Since this hearing involves the consideration of a new government regulation for the State of New Jersey, I would like to share with you statements made by our current and former Chairman of the Council of Economic Advisors (CEA) in their writings on new government regulations. First, our current Chairman, Martin Feldstein, said:

"As the pressure grows in Washington and in state capitals to limit tax collections and government spending, there will be more and more temptation to shift costs directly to consumers and firms through regulation. It's important for voters to remain skeptical of such attempts and to ask the cost of all such plans to 'improve our lives' through increased regulation." (The Boston Globe, 9/15/81)

I believe Murray Weidenbaum's comments, our former CEA Chairman, summarize the considerations to be made when we look at any new government regulation, including deposit legislation. He said:

"At first blush, government imposition of socially desirable requirements on business appears to be an inexpensive way of achieving national objectives: it seems to cost the government little and therefore is not recognized as much of a burden on the taxpayer. But, on reflection, it can be seen that the public does not escape paying the full cost. . . . What is at issue is not the worthiness of the objectives. Rather, it is that the public does not get a 'free lunch' by imposing public requirements on private industry. Although the costs of government regulations are not borne by the taxpayer directly, in large measure they show up in higher prices of the goods and services that consumers buy. These higher prices represent the 'hidden tax', which is shifted from the taxpayer to the consumer. Moreover, to the extent that government-mandated requirements impose similar costs on all price categories of a given product, this hidden tax will tend to be

more regressive than the federal income tax." (Business, Government and The Public by Murray Weidenbaum, 1977.)

I believe that both Mr. Feldstein's and Mr. Weidenbaum's remarks should be carefully considered in relation to the proposed deposit legislation which we are considering today. No one would deny the potential benefits of reduced litter in our state if deposit legislation were enacted. But, as the noted economists I quoted point out, all of the costs associated with deposit legislation must also be weighed.

Upon careful consideration, the Southern New Jersey Development Council has determined that the costs of deposit legislation far outweigh the advantages to be achieved. For that reason, we strongly oppose any proposal to mandate deposits on beverage containers in New Jersey.

I would like to take a minute to review the potential costs associated with this legislation. Since the glass industry is a major one in our region, deposit legislation would be extremely detrimental to Southern New Jersey's overall economy. Over one-half of the workers in New Jersey's glass container industry are employed in South Jersey, with nearly 2000 workers employed in the Vineland-Millville-Bridgeton Standard Metropolitan Statistical Area (SMSA). (See Table) It is generally agreed that passage of a mandatory deposit bill would significantly reduce the workforce in Southern New Jersey's glass industry.

The Vineland-Millville-Bridgeton SMSA is currently experiencing a 17.7% unemployment rate, ranking fifth highest in the nation. Those of us living here in South Jersey are looking for assistance from our State to bring our region out of its serious economic woes. Instead, our Legislature is considering deposit legislation which would result in a further significant loss of jobs in the Vineland-Millville-Bridgeton area. The bottom line effect of deposit legislation could very

well make Cumberland County our nation's unemployment capital, a notoriety which New Jersey cannot afford.

Members of the Southern New Jersey Development Council recognize the importance of each manufacturing job to our region's health and prosperity. If deposit legislation is enacted, South Jersey's glass industry may have to terminate up to one-third of its current workforce. This conservative estimate of South Jersey's potential workforce reduction could also result in our loss of:

- \$13 million in gross payroll
- \$11 million in regional expenditures
- \$9.5 million in disposable income
- \$7 million in federal taxes
- \$2.2 million in corporate taxes
- \$836,000 in state taxes
- \$700,000 in the unemployment insurance fund
- \$436,000 in time deposits

(What Typical Manufacturing Firms Employing 1000 Support)
(Source: N. J. Department of Commerce and Economic Development)

A similar workforce reduction in the rest of New Jersey could bring New Jersey's loss to over \$100 million. In addition, it is estimated that the additional cost of beverage containers (including handling) to the consumer due to a mandated deposit system would be well over \$100 million annually. This state's "free lunch" (or hidden tax), as Mr. Weidenbaum puts it, which would result from deposit legislation could easily exceed over \$200 million annually. Our state, county and municipal governments, as well as our financial institutions, construction industry, retail stores, and glass industry suppliers cannot afford this tremendous cost for the sake of an estimated 20% reduction of our state's litter problem.

We believe there are more cost-effective methods of reducing our State's litter problem. Recycling is one of the methods our Council favors. As you have heard from testimony presented by the N. J. Office of Recycling on July 14, 1982, our State's recycling programs provide a more comprehensive (affects the entire municipal waste stream) and cost-effective program of litter control. Passage

of deposit legislation could seriously impact the economic viability of recycling programs underway in the state.

Private sector initiatives, although often overlooked, have had and will continue to have a significant impact on our state's control of litter. The beverage container industry has worked to alleviate the litter problem in the United States for years. They began the "Keep America Beautiful" campaign. They also funded, staffed, and researched a behavioral study on litter. Clean Community Systems were an outgrowth of that study. Today, over 270 communities in 37 states have joined the Clean Community Systems. These communities have reduced their litter up to 88% and have sustained these reductions as long as seven years. It is expected that the N. J. Recycling Forum will soon begin a statewide litter program based on the Clean Community Systems.

The container industry has also taken an active role in recycling. Owens-Illinois, for instance, has invested \$600,000 in its glass processing facility in North Bergen. They expect to undertake a similar project in Bridgeton. In addition, they are offering their assistance to municipalities who are developing their own recycling programs.

Finally, we believe that our Legislature must recognize the impact this type of regulatory legislation has on our attempts to attract new businesses to our state and to encourage existing businesses to expand within New Jersey. Our state cannot afford to continue the enormous regulatory burden it has placed on its business and industry and the result that burden places on the average New Jersey citizen. Only when New Jersey's Legislature begins to assess the true costs of our government regulations will our state be able to compete on an equal footing with the many other already enlightened states across our country.

GLASS BEVERAGE CONTAINER INDUSTRY

IN NEW JERSEY FOR 1982

<u>COMPANY</u>	<u>LOCATION</u>	<u>NUMBER OF EMPLOYEES</u>
<u>Southern New Jersey</u>		
Anchor Hocking	Salem	746
Kerr Glass	Millville	1030
Leone Industries	Bridgeton	100 (est.)
Owens-Illinois	Bridgeton	850
Owens-Illinois	Millville	<u>16</u>
Sub total		2742
<u>Rest of New Jersey</u>		
Ball Corp.	Carteret	420
Brockway Glass	Freehold	737
Midland Glass	Cliffwood	507
Owens-Illinois	North Bergen	40
Thatcher Glass	Wharton	<u>831</u>
Sub total		2535
Total		5277

(Source: Glass Packaging Institute, Washington, D.C.)



ANHEUSER-BUSCH COMPANIES

August 25, 1982

Robert D. Hollenbeck
Harry A. McEnroe
Catherine A. Costa
Arthur R. Albohn
Maureen B. Ogden

Dear Chairman Hollenbeck and Committee Members:

Attached please find a brief one page Anheuser-Busch Companies, Inc. statement on forced deposit legislation and a more comprehensive paper "The Facts on Forced Deposits".

We have requested Mr. Dan Adams of the U. S. Brewers Association to submit these documents in the belief that they will be helpful to the committee as it considers suitable legislation for New Jersey.

Should the material generate questions, we will be pleased to respond.

Sincerely,

Edward L. Miles
Director
State Affairs

cc: Messrs. S. K. Lambright
D. J. Adams

August 25, 1982

STATEMENT ON FORCED DEPOSIT LEGISLATION
TO THE NEW JERSEY COMMITTEE ON
ENERGY AND NATURAL RESOURCES

We at Anheuser-Busch Companies, Inc. share your concern for finding a solution to the litter problem. We attach a paper, "The Facts on Forced Deposits your consideration.

Some of the principal conclusions of the paper are that Deposit Laws:

- ... are a hidden "tax", they cause significant price increases
- ... reduce state tax revenues
- ... displace skilled workers, often head of households, with lower paying, less skilled jobs, often part-time.
- ... do not achieve substantial reductions in roadside litter.
- ... do not significantly effect solid waste volume or collection and deposit costs.

Anheuser-Busch supports progressive litter control and recycling legislation such as is in effect in nine states. The attached paper also discusses these "solution" approaches and we believe you and your staff will find one or more of these proven approaches to be helpful in determining what is right for the great State of New Jersey.

Attachment



United States Brewers Association, Inc.

EXECUTIVE PARK TOWER, STUYVESANT PLAZA, ALBANY, N.Y. 12203

(518) 489-4551

DANIEL J. ADAMS
VICE PRESIDENT PUBLIC & GOVERNMENTAL AFFAIRS - NORTHEASTERN REGION

TESTIMONY ON FORCED DEPOSIT LEGISLATION
BEFORE THE
NEW JERSEY ASSEMBLY COMMITTEE ON ENERGY AND NATURAL RESOURCES
AUGUST 25, 1982

My name is Daniel J. Adams. I am Regional Vice President of the United States Brewers Association, Inc., Northeastern Region. The Northeastern Office is located in Albany, New York. The United States Brewers Association, the nations oldest, active, continuous incorporated trade association, represents American and importing brewers, and a wide variety of associate members which engage in aluminum, glass, plastic and steel manufacturing, and/or container and packaging production.

The Association strongly opposes forced deposit/refund legislation; prohibitions on beverage container closures and carriers, and other restrictions which are regressive and piecemeal in nature, including 'limits' in relation to container type usage in the marketplace.

The brewing industry in New Jersey hires approximately 2,550 employees, and pays out 75 to 77 million dollars annually to its work force in wages and benefits. The State of New Jersey ranks 9th in the nation in malt beverage (production)

output, and 8th in malt beverage sales. In 1981, New Jersey beer drinkers consumed 5,311,000 barrels of beer, while the states brewing industry produced 7,761,000 barrels.

Also in 1981, beer generated \$5,488,000. state excise tax dollars, while New Jersey beer wholesalers collected for the state an additional \$27 million in the form of sales tax revenue. The beer industry in New Jersey, therefore, generated over \$32 million in 1981 in the form of special taxes toward the management of state government programs.

Costs associated with any forced deposit system overwhelmingly outweighs any potential litter or solid waste reduction that might occur. Moreover, and while forced deposit legislation does not require recycling, it places substantial cost burdens on consumers; results a loss of sales in the beverage business and skilled jobs in the container manufacturing industry; disrupts the livelihood of thousands of small retailer business men and women, and forces the states beverage industry complex to invest millions of new no-growth dollars to accomodate a less efficient and energy intensive 'returnable' production and distribution system.

Corresponding sales losses result tax revenue losses to state and local governments. Moreover, projected increases in government tax revenues are based on expected sales gains. Accordingly, state governments have lost significant amounts of excise and sales tax dollars based on (both) direct market decline and on the markets failure to obtain expected growth rates. Beer consumption growth in New Jersey, over the past four years, has exceeded the national average.

A loss in beer sales is based on a variety of concerns created by a system of forced deposits. Sales losses are principally due to concentration, inconvenience and price. Concentration is an economic truism where by marginal company's find it more difficult to compete, and as a result such businesses either close or cease to register all or most of their beer brands in the state. Package choice and brand choice declines. Inconvenience deals with consumer dissatisfaction with the system and the purchasing of other beverages which are not subject to forced deposit mandates. And, sales losses due to higher prices are obvious. Any legislation which is designed to create a real price increase, creates a real, not artificial sales loss.

Combine the factors of concentration, inconvenience and price (sales loss) with package shift in the market, and skilled job losses in the container manufacturing industries occur. A forced deposit system not only creates volume decline, but a package usage decline is experienced as a result of such legislation as well two general shifts occur: a shift to returnable refillable containers or to larger size containers occurs off premise, while the on premise account also moves to a higher usage of the refillable or 'shifts' to the exclusive or added use of draft beer. Following, trippage rates and the degree of 'shift' are combined with direct losses in sales and produce skilled job losses.

Over 14,500 licensed retailers sell malt beverages in the State. Generally, these retailers are considered small businesses and many operations are family managed. Each business would experience equipment and storage problems, labor costs attributable to handling and sanitation requirements, direct costs concerning inventory control, pilferage and administration, and indirect costs in relation to float outlays.

The brewer and beer wholesaler would experience an almost similar set of costs, while additional cost burdens in relation to new machinery, down-time, foaming, energy, machinery obsolescence and machinery installation would befall the brewer.

Accordingly, and based on study and experiences in deposit law states, the average consumer price increase per case of beer is (24/12 oz) (excluding brewer cost) is \$1.03. (56.95 retailer; 34.25 wholesaler; 12.0 forfeit). The brewer's cost is not solely applied to the state in question. It is applied to all areas within that plants' shipping pattern.

The adoption of a forced deposit system in New Jersey, therefore, will cost the states beer consuming public at least 68.5 million dollars annually. Surely, this cost alone, exceeds any potential benefit the state might experience in terms of solid waste or litter reduction.

The New Jersey Recycling Plan and Act, a superior law to forced deposit legislation, is already in place. Regulations, instructions and educational programs at all levels are under way. This act will generate four to six million dollars annually through 1985, and two to three million dollars in 1986.... and, 15% of such 'new' monies will be utilized for promotion and education on recycling, litter abatement and new market development programs.

New Jersey is a leader in relation to positive solid waste management and litter control legislation. A 'Bottle Bill' is a negative, regressive and piecemeal approach, and, anti labor, anti business and anti consumer in application and intent. We strongly urge you to reject this legislation.



Pennsylvania Glass Sand Corporation

***Three Penn Center
Pittsburgh, Pa. 15235
Telephone: (412) 243-7500***

August 25, 1982

The Honorable Robert Hollenbeck
Chairman, Assembly Energy & Natural Resources Committee
New Jersey State Assembly

Dear Mr. Hollenbeck:

Pennsylvania Glass Sand Corporation operates a glass sand producing plant at Newport, Cumberland County, New Jersey. Our product constitutes approximately 60% of a glass batch and the glass bottle industry is the lifeblood of our New Jersey facility. The proposed beverage container bill A-78, if enacted, would undoubtedly eliminate jobs at our plant. Our skilled employees, who contribute substantially to the financial stability of Cumberland County, would then add to the current staggering 17½% unemployment rate.

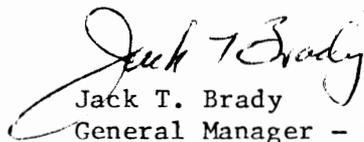
At the present time, eight New Jersey glass bottle plants are recycling glass and 424 million bottles and jars were reused in the State of New Jersey in 1981. Nationally, in excess of 11 glass containers were recycled in 1980 for each man, woman and child in the United States, as compared with one-half of a bottle for each person in 1970. Clearly, the American public has become more aware of the need to recycle. It is our belief that this type of approach will reduce litter and the need to dispose of it, will conserve energy and will preserve the jobs of thousands of people in the Garden State.

We implore you to give the Recycling Act of 1981 a chance to prove itself. The Office of Recycling must report to the Legislature by October 1, 1984, and by that time the citizens of New Jersey will have had two years of experience and will be in a better position to judge the merits of the Act.

Thank you for allowing us to present our views on this very important subject.

Very truly yours,

PENNSYLVANIA GLASS SAND CORPORATION


Jack T. Brady
General Manager - Sales

JTB:msb

RESOLUTION REGARDING BOTTLE BILL

BE IT RESOLVED by the Township Committee of the Township of Downe, County of Cumberland and State of New Jersey that,

WHEREAS there has been proposed a series of bills in the New Jersey Legislature, Nos. A-78, A-182, A-482, A-1180 and S-1130 which will have a devastating effect on the mining of sand in the Downe Township Cumberland County area for bottle making purposes, in an area already subject to one of the highest unemployment rates in the nation, and

WHEREAS the passage of the aforesaid bills will in all probability cause the suspension of mining activities within the Township, said mining activities being the only substantial year-round source of employment for residents of the area,

NOW THEREFORE, Be it Resolved by the Township Committee aforesaid, that it place on record its objection to such legislation and it hereby requests the legislature to reject the aforesaid legislation inasmuch as the effect of said legislation will be to substantially curtail production of glass bottles and to undermine the economic base of this Township whose industry is based on mining raw materials for the production of same.


Merle Bailey, Clerk

I certify that the above Resolution was duly adopted by unanimous vote at its regular meeting held August 19, 1982.


Merle Bailey, Clerk

PETITION

We, the undersigned employees of Pennsylvania Glass Sand Corporation, are opposed to the enactment of the "Bottle Bills" that are being considered by the New Jersey General Assembly. The passage of such a bill will eliminate many jobs, such as ours, at companies that supply the glass industry, in addition to the jobs directly lost in the glass industry. We believe the severe personal impact that the bottle bill will have on us and Cumberland County greatly out-weighs any speculative benefits that may be achieved by reducing litter.

Dated: August 20, 1982

Larry J. Jernigan Dividing Creek.
L. C. Eldon Jr.

Joseph Minie
Edward Gandy
Raymond J. Bown
Edwin J. Bown Jr.
Linda Gifford
James Damico
Philip Mastor
H. Masito
Oran Moore
Doug Cramer
Nichol Morgan
William Gandy
Jerry Wayne Casalove
Ed. W. Jick
Malcolm
Thyph Jenkins
John Saulin
Charles Shall
James Nichole
Don Juptore
Richard W. Piggie
Donald B. Jones
Claude F. Hadden
James H. Morgan
R. Wayne Mount
Edward Juptor

Newport 08345
Dividing Creek
Newport, N.J.
Newport, N.J.
Cedarville, N.J.
Dividing Creek, N.J.
Haleysville, N.J.
Newport, N.J. 08345
Dividing Creek N.J.
Port Norris, N.J.
Millville, N.J.
PORT NORRIS N.J.
Millville, N.J.
Cedarville N.J. 109 So. Main
Newport N.J.
RD#1 Port Norris
114 8 main Cedarville N.J.
main St Newport
148 S. main St. Cedarville
RD#1 Port Norris, N.J.
RD#1 Port Norris, N.J.
Port Norris, N.J.
Dividing Cr. N.J.
Cedarville N.J.
R.D. #3 Millville, N.J.
Dividing Creek, N.J.
So. Debevoise
Dorchester

PETITION

We, the undersigned employees of Pennsylvania Glass Sand Corporation, are opposed to the enactment of the "Bottle Bills" that are being considered by the New Jersey General Assembly. The passage of such a bill will eliminate many jobs, such as ours, at companies that supply the glass industry, in addition to the jobs directly lost in the glass industry. We believe the severe personal impact that the bottle bill will have on us and Cumberland County greatly out-weighs any speculative benefits that may be achieved by reducing litter.

Dated: August 20, 1982

William F Harrison
Charles E Taylor
Robert F. Johnson Sr.
Edward L Bradford
Harvey S Hall
Donald B Henry
Jack Newhouser
Robert Jones
George E Lyles
LeRoy W Sheppard
Joseph R. Brown
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THE FACTS
ON
FORCED DEPOSITS

Industry and Government Affairs
Anheuser-Busch Companies
St. Louis, Missouri

OVERVIEW

At first glance, the idea of placing a deposit on beer and soft drink containers appears to be a very good one indeed. Everyone wants a clean environment, and placing a required deposit on cans and bottles seems to be a harmless way of controlling litter on our urban and rural roadways.

This brochure documents the objective facts about deposit laws - not in some theoretical or idealized or emotional way, but by examining the actual impacts of deposit laws where they have been implemented. We will examine:

The economic effects of deposit laws on

- Consumer prices
- Government revenues
- Jobs

The consequences of deposit laws for

- Roadside litter
- The solid waste stream
- Voluntary recycling activities

Health and energy issues relating to mandatory deposits.

Positive alternatives to forced deposits.

Anheuser-Busch is also vitally concerned with the problem of litter. We believe, however, that any reasonable person who objectively examines the facts about mandatory deposits will come to the conclusion that more effective and less expensive forms of litter control do exist, without the need for additional government intervention in the public's daily life.

ECONOMIC IMPACTS OF DEPOSIT LAWS

Six states have implemented mandatory deposit laws - Oregon (1972), Vermont (1973), Maine (1978), Michigan (1978), Iowa (1979), Connecticut (1980). New York, Massachusetts and Delaware are scheduled to implement deposit laws in 1983.

The impacts of forced deposit legislation, therefore, are now a matter of fact, not conjecture. And the public record clearly shows that the anticipated benefits of deposit laws have failed to occur.

The failure of deposit laws is especially evidenced in the economic sector, in terms of consumer prices, government revenues, and jobs.

CONSUMER PRICES

Advocates of deposit legislation argue that deposit laws should cause prices on beverages to decline.

THE FACTS: In each of the deposit states, consumer prices have risen, by about 25 cents per six-pack for beer and 15 cents per six-pack for soda, in addition to the required deposit.

Prices increase for several reasons. Capital investments are needed for packaging equipment, warehouse space, and additional delivery trucks. Most importantly, labor costs rise dramatically, as a result of the multiple handling of cans and bottles in returning them to distributors and then to manufacturers.

Additional consumer costs also occur. On average, 10 percent of cans and bottles are not returned for their deposit. These unredeemed deposits cost consumers an additional five or ten cents per non-returned container in deposit states. Finally, consumers tie up their money in deposits, at an interest cost of about one-half cent per six-pack.

Nationally, a forced deposit law would have the following price impact:

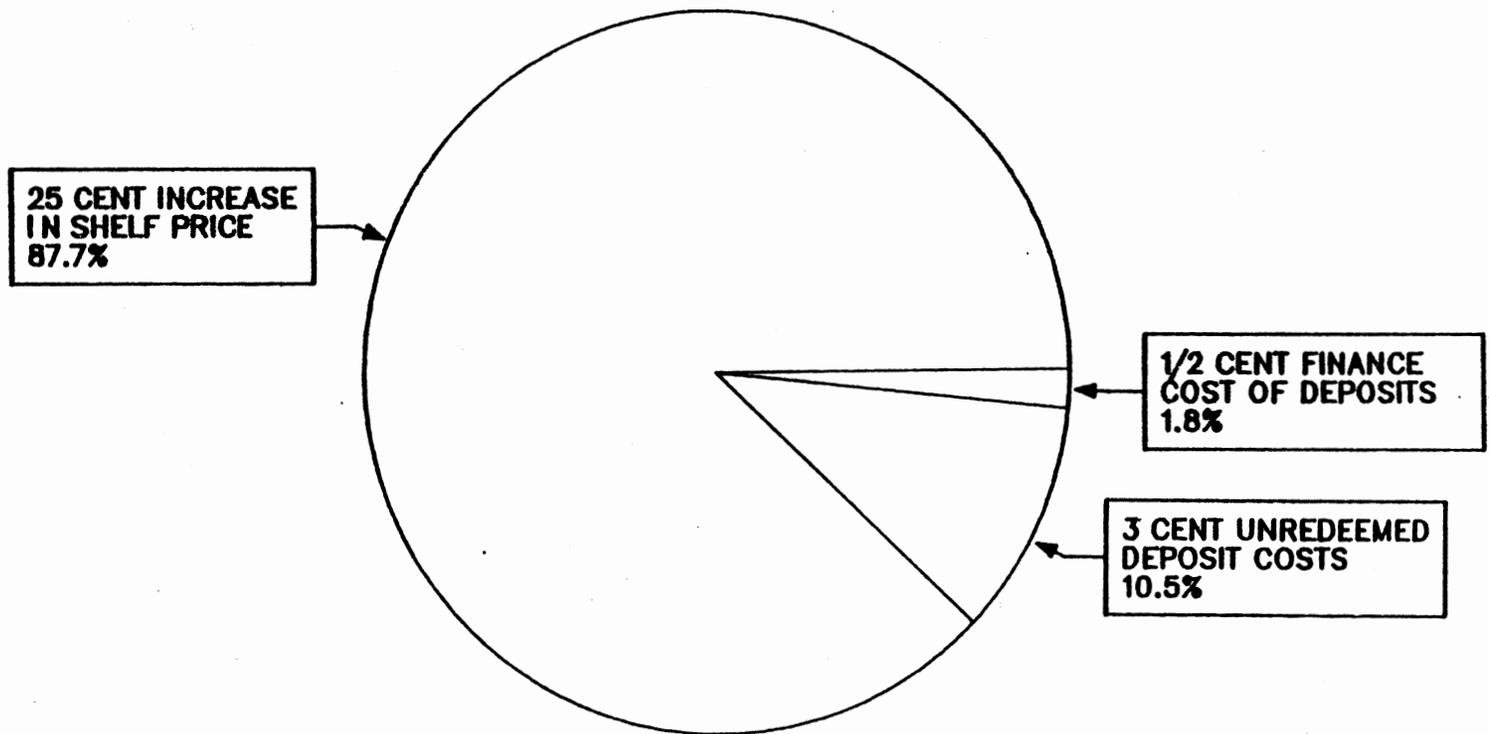
Higher consumer prices	\$3.9 billion/year
Lost consumer deposits	\$0.6 billion/year
Finance cost of deposit	\$0.1 billion/year
Total out-of-pocket costs	\$4.6 billion/year

No wonder that economists Martin and Kathleen Feldstein (Harvard and MIT) have predicted that Massachusetts' deposit law will cost consumers in that state nearly \$100 million a year.

CONCLUSION: DEPOSIT LAWS ARE A HIDDEN "TAX": THEY CAUSE SIGNIFICANT PRICE INCREASES, NOT PRICE REDUCTIONS. AND, BECAUSE OF THE DEMOGRAPHICS OF BEER AND SODA CONSUMERS, DEPOSIT LAWS ARE A TAX WHICH FALLS MOST HEAVILY ON LOWER INCOME FAMILIES.

TOTAL CONSUMER COST INCREASES PER 6-PACK CAUSED BY FORCED DEPOSITS

TOTAL INCREASE IS 28.5 CENTS PER 6-PACK



TAX REVENUES

Proponents often argue that tax savings result from deposit laws. Unfortunately, this is not the case. By increasing prices and reducing convenience, mandatory deposit laws hurt beverage sales. As a result, on average, beer and soft drink sales in the six deposit state have dropped by 10 percent, in comparison to their non-deposit neighbors.

THE FACTS: These sales losses mean that states lose substantial tax revenues if they adopt deposit laws.

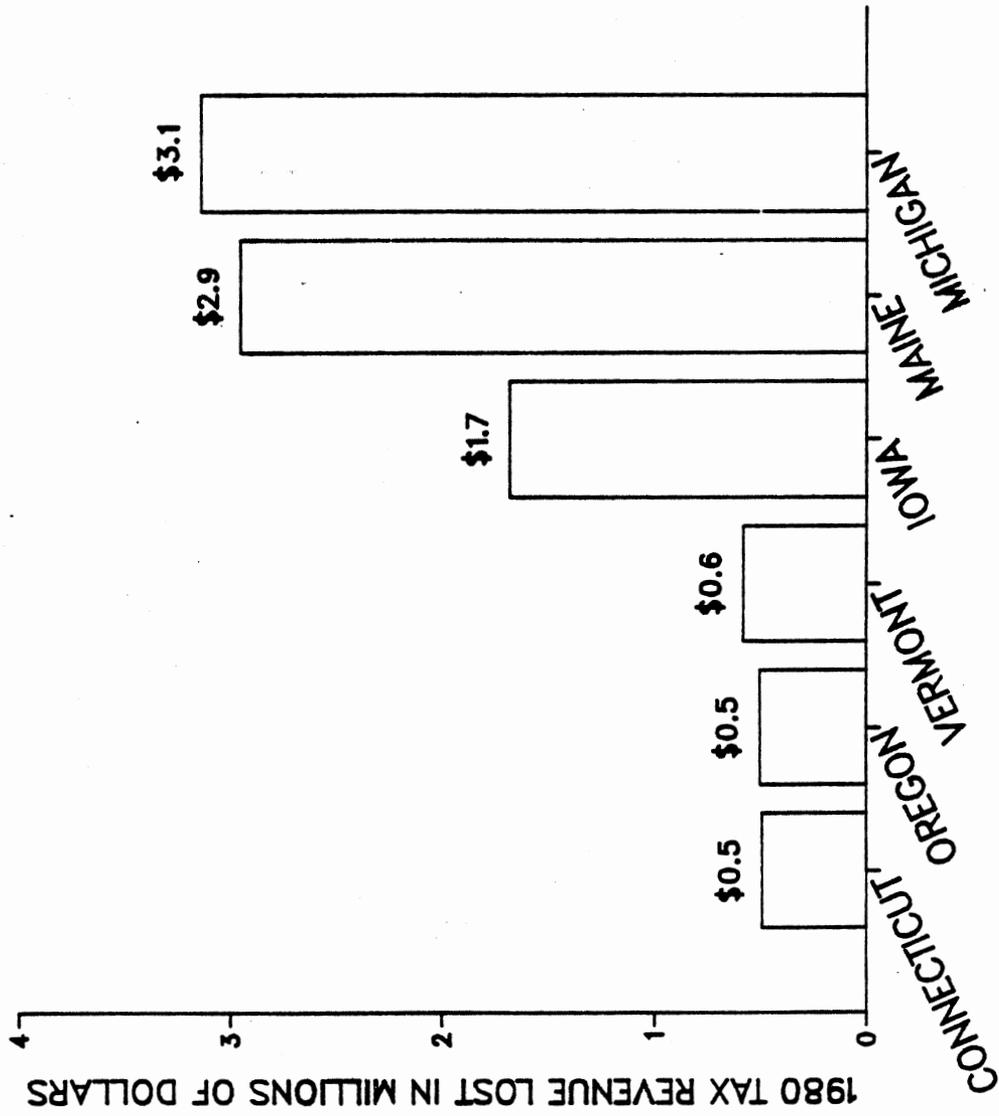
The current deposit states lose in excess of \$6 million per year in beer excise tax collections. And the federal government loses more than \$9 million. A national deposit law would cost the states over \$120 million in lost excise tax revenue, and the federal government \$160 million.

While excise taxes are collected only on beer, state and local sales tax losses would apply to beer and soda alike. Sales tax revenue losses in excess of \$200 million would occur if all states adopted deposit laws.

CONCLUSION: NOT ONLY DO DEPOSIT LAWS INCREASE CONSUMER PRICES, THEY SIGNIFICANTLY REDUCE STATE TAX REVENUES.

And, as we shall see, these lost funds are not offset by savings for litter cleanup. The net effect...a significant drain on a state government's revenue.

**YEARLY EXCISE TAX REVENUE LOSSES
RESULTING FROM DEPOSIT LAWS**



EMPLOYMENT

Advocates argue that jobs are created by mandatory deposit laws. And in the six deposit states, hundreds of jobs have been created - to redeem, sort and store returnables in retail stores and bottling facilities.

THE FACTS: Deposit laws create many low-skilled, low-paying jobs, at the expense of skilled manufacturing jobs.

In Michigan, about 800 skilled workers lost their jobs as a direct result of the state's deposit laws. In Connecticut, the deposit bill included an amendment which was to provide a special compensation allowance for those who lost their jobs because of the law. After about 550 such allowances were granted (at a cost of \$10,000 per week), the program was abandoned because it had become too costly to maintain.

At the national level, the Department of Commerce has estimated that a deposit law would eliminate 82,000 skilled and semi-skilled jobs in the can and glass manufacturing industries.

CONCLUSION: FORCED DEPOSITS DO CREATE LOW-PAYING, FREQUENTLY PART-TIME, JOBS FOR HANDLING BEVERAGE CONTAINERS, BUT THEY DO SO BY DISPLACING SKILLED JOBS HELD BY HEADS OF HOUSEHOLDS.

ECONOMIC IMPACTS

SUMMARY

Deposit laws are indeed an expensive proposition.

- Consumers pay - soda and beer prices increase significantly
- The beverage industry pays - sales fall by 10 percent.
- The federal and state governments pay - excise tax revenues and sales tax revenues decline.
- Workers pay - skilled jobs are lost.

The question then remains: Do these costs buy a solution to the problem - what happens to litter when deposit laws are implemented?

FORCED DEPOSITS

IMPACT ON LITTER, SOLID WASTE, AND RECYCLING

Deposit laws could be worth their high cost if they solve the litter problem. An objective analysis of roadside litter, however, demonstrates that substantial reductions in total litter cannot be achieved by forced deposit laws. And further, the hard evidence demonstrates that the impact of deposit laws on solid waste collection is almost negligible in comparison to consumer costs.

LITTER

Deposit laws can only be evaluated with reference to the problem they are designed to solve: Roadside Litter. Proponents argue that beverage containers are a very significant part of litter. But recent studies by independent research firms indicate

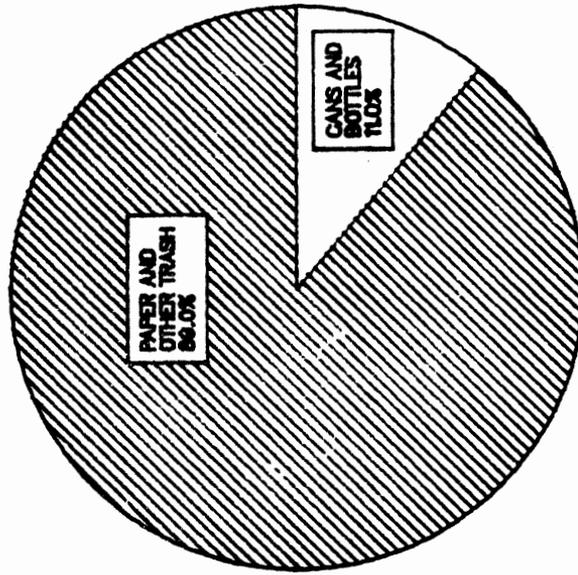
THE FACTS: in 1981, beverage containers represented less than 12 percent of the nations total urban street litter and 20 percent of all rural highway litter.

Objectively, over 80 percent of what is littered is such items as newspapers, plastics, food wrappings, cups and cigarette debris...not cans and bottles.

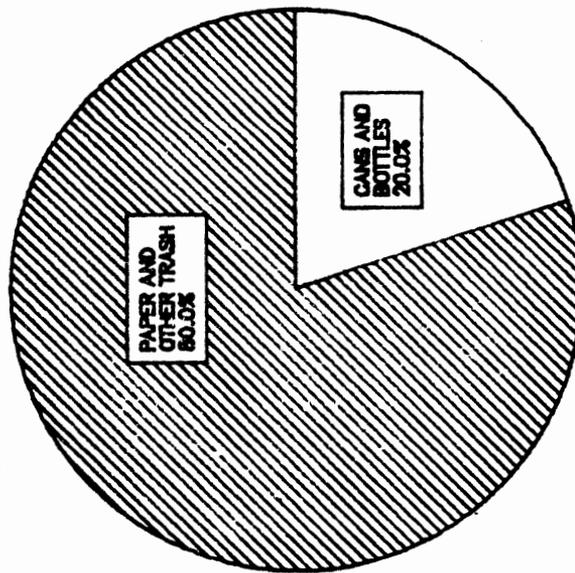
CONCLUSION: SUBSTANTIAL REDUCTIONS
IN ROADSIDE LITTER CANNOT BE ACHIEVED
BY DEPOSIT LAWS.

COMPONENTS OF ROADSIDE LITTER

URBAN



RURAL



SOLID WASTE

A more general claim for deposits is that they will substantially reduce the solid waste stream, largely by increased recycling of glass and aluminum. Although this argument is at first quite plausible, a dispassionate look at the evidence produces a very different view.

FACT: Less than 6 percent of all municipal solid waste is beverage containers.

FACT: A forced deposit law, by EPA estimates, would reduce solid waste by less than 2 percent.

EPA has also concluded that "the reduction in waste collection and disposal requirements for a community is not likely to be great".

CONCLUSION: THE ENORMOUS COSTS OF FORCED DEPOSIT LAWS CANNOT BE JUSTIFIED BY MARGINAL REDUCTIONS IN SOLID WASTE VOLUME OR COLLECTION AND DISPOSAL COSTS.

VOLUNTARY RECYCLING

Advocates of deposit laws suggest that forced deposits will promote recycling.

THE FACTS: While a deposit law does increase aluminum can and glass recycling, it adversely affects recycling of other materials.

One of the leading groups opposed to mandatory deposits is the recycling industry. Why? Because mandatory deposits often spell disaster for existing multi-product recycling centers in a state. Beverage containers, especially aluminum cans, are the recycler's major source of income, and their relatively high profit margin allows the recycler to also accept lower profit items such as paper and plastic products. By diverting glass and aluminum containers, deposit laws have caused numerous multi-product recyclers to shut down.

CONCLUSION: DEPOSIT LAWS DO NOT PROMOTE VOLUNTARY RECYCLING; THEY ECONOMICALLY DAMAGE THE MULTI- PRODUCT RECYCLING INDUSTRY BY DIVERTING BEVERAGE CONTAINERS TO RETAILERS AND/OR WHOLESALERS.

LITTER, SOLID WASTE, AND VOLUNTARY RECYCLING

SUMMARY

Deposit laws do reduce beverage can and glass litter. But...

- Since cans and bottles are only a small portion of roadside litter (11 to 20 percent), deposit laws leave the bulk of litter unaffected.
- Since cans and bottles are an even smaller portion of the solid waste stream, deposit laws have an almost negligible effect on solid waste.
- And, since, deposit laws severely reduce voluntary multi-product recycling, overall resource recovery is not significantly improved.

PUBLIC HEALTH AND DEPOSIT LAWS

Deposit law proponents largely overlook one additional consequence of forced deposits: Sanitation.

THE FACTS: Under forced deposits, thousands and thousands of dirty and contaminated beverage containers are returned to grocers, drug stores, and restaurants for sorting and storage in backroom areas. These containers attract rodents, roaches, and other insects, posing a serious public health problem.

Pest and rodent control becomes increasing difficult and costly. The use of toxins in food storage and handling areas sharply increases.

CONCLUSION: SERIOUS HEALTH RISKS ARE CREATED BY DEPOSIT LAWS - BOTH FROM RODENT AND INSECT INFESTATION AND THE TOXINS REQUIRED FOR THEIR CONTROL.

POSITIVE ALTERNATIVES

Deposit laws have serious flaws.

Economically, forced deposits

- Increase consumer prices - a regressive hidden tax
- Reduce sales and excise tax revenues
- Create unemployment among skilled workers.

As a litter/solid waste control measure, forced deposits have

- Small impact on total litter
- Negligible impact on solid waste
- Adverse impact on voluntary recycling.

And finally, deposit laws create

- Serious public health risks.

Fortunately, there are alternatives to mandatory deposits - alternatives which are both less expensive, and more effective, and...perhaps most important...which do not require more government intrusion into our lives in order to control the very small percentage of the public which creates litter.

THE WASHINGTON STATE EXAMPLE

In 1972, Washington state was first to adopt a positive approach to litter/solid waste. And in Washington state, recycling works:

- Between 1971 and 1977, total litter (not just beverage related litter) in the state was reduced by 70 percent, according to surveys done by Washington's Department of Ecology.
- Over 850 recycling centers now employ over 4,000 people.
- In 1980, these centers collected
 - 420 million pounds of newsprint and other paper
 - 67 million pounds of aluminum and tin cans
 - 29 million pounds of metal
 - 25 million pounds of glass containers
 - 9 million pounds of plastic
- The economic benefits:
 - recycling paid Washington residents almost \$35 million in 1980,
 - the state saved between \$12 and 24 million in costs that same year.
- The program also creates summer jobs for 800-900 youths for litter cleanup - about 700,000 pounds of roadside litter each year.

Compare this to Oregon, whose deposit law costs has reduced litter by 11 percent in comparison to pre-deposit law levels.

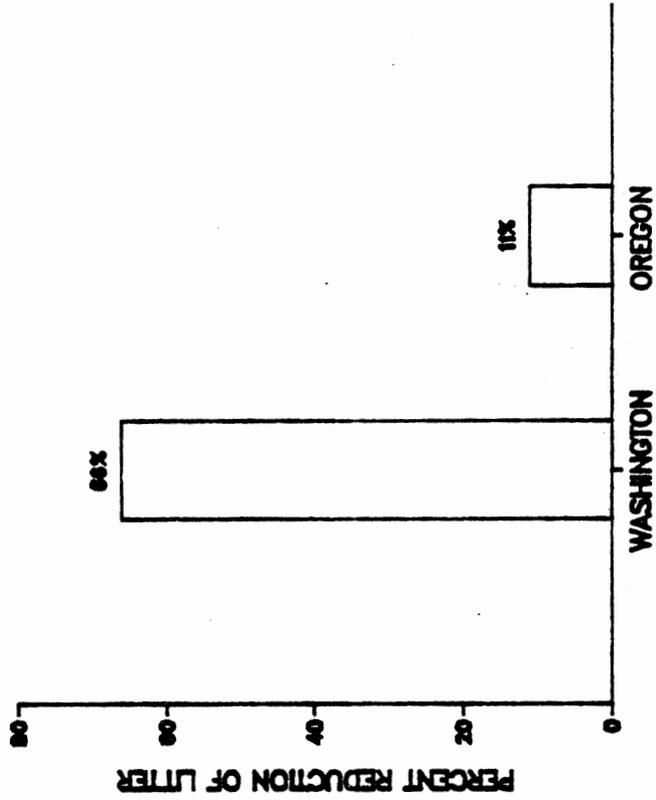
LITTER CONTROL/RECYCLING LAWS

Nine states - Alaska, California, Louisiana, Nebraska, Ohio, South Carolina, Tennessee, Virginia and Washington - have implemented litter control/recycling programs which attack all forms of litter and solid waste. These programs utilize a combination of

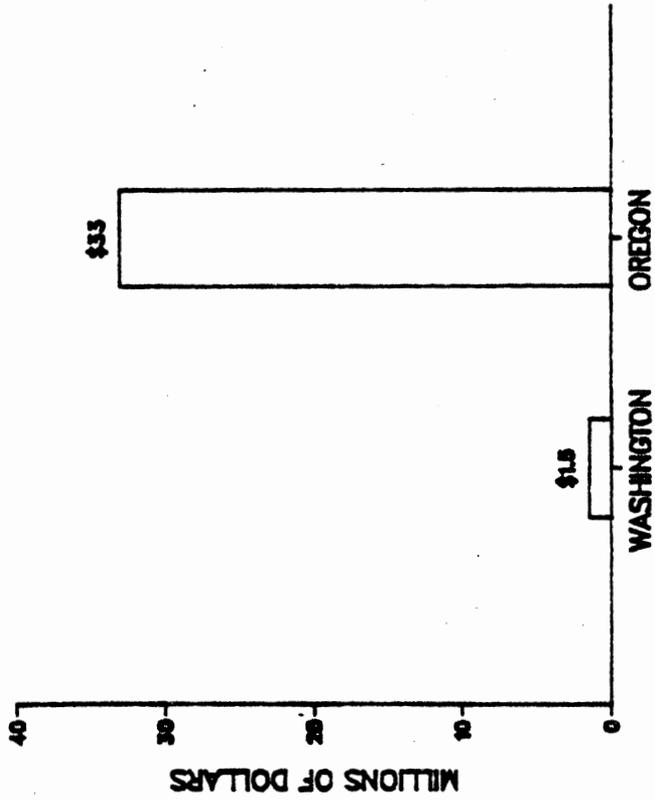
- Litter cleanup programs
- Recycling incentives
- Increased anti-litter enforcement
- Education and public awareness programs

POSITIVE ALTERNATIVES VS. FORCED DEPOSITS

**LITTER REDUCTION
SINCE LAWS TOOK EFFECT IN 1972**



COST TO CONSUMERS



IN BRIEF...

Litter control programs with similar success stories are working now in several states. In California, for example, the recycling industry paid \$146 million to consumers who recycled more than 6 billion pounds of materials. And Virginia's litter control/recycling laws have reduced statewide litter by about 66 percent.

THE FACTS: It is possible to significantly reduce litter through voluntary, cost-effective programs.

Real solutions to litter and solid waste do exist - through increased recycling, efficient litter cleanup, tougher enforcement, and public education. The Council of State Governments has included a model litter control and recycling act in its 1982 edition of Selected State Legislation. The act is a comprehensive environmental strategy for total litter/solid waste control.

CONCLUSION: BECAUSE OF THEIR HIGH COST
LOW IMPACT AND POTENTIAL HEALTH RISKS,
DEPOSIT LAWS MAKE NO SENSE AT ALL. BUT
WORKING TOGETHER, WITH SENSIBLE APPROACHES,
WE CAN ACHIEVE A CLEANER ENVIRONMENT, AT
AN ACCEPTABLE COST, FOR ALL AMERICAN
COMMUNITIES.



Compliments of
G. OLIVER KOPPELL
MEMBER OF ASSEMBLY

INCONSPICUOUS CONSUMPTION

A look at **NEW YORK'S BOTTLE BILL** and the
experience of six states which have enacted
RETURNABLE CONTAINER LEGISLATION

This Book Belongs To The
CITY HALL LIBRARY

Stanley Fink
Speaker

By Assemblyman
G. Oliver Koppell
84th A.D. Bronx County
April, 1981

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Explanation of References to Sources

Throughout this report, sources are noted parenthetically. A letter has been assigned to each source listed in the bibliography. For example (A, p. 3), would mean that the source of the information is page three of Oregon's Bottle Bill--Two Years Later. The research for this report was done by Terry Cullen, of Assemblyman Koppell's staff.

April, 1981

I. INTRODUCTION

The number is simply staggering. Every year New York consumers purchase approximately eight billion containers of beer and soda.

Millions upon millions of the empty bottles and cans end up on streets and sidewalks, along the sides of highways, and all over our parks and other public places. In addition, disposable containers which are actually disposed of properly are placing an intolerable burden on the overtaxed capacity of municipal landfills. A small percentage of bottles and cans find their way to recycling centers where they can be remanufactured or reused, thus easing the burden on our ever-dwindling supply of natural resources.

Six states, recognizing the folly of this most blatant example of our disposable society, have decided to put an end to the no-deposit no-return mentality by enacting returnable-container legislation. They are Oregon, Iowa, Maine, Vermont, Michigan and Connecticut.

The experience in these states has been excellent. Despite predictions of doom and gloom, despite exaggerations, distortions and half-truths on the part of bottle-bill opponents (mainly container manufacturers and national distributors of beer and soda), the evidence is clear:

Returnable-container legislation not only greatly reduces litter, produces enormous savings in the cost of collecting solid waste and conserves significant amounts of energy and natural resources, but actually creates employment without placing any substantial burdens on manufacturers, retailers or consumers.

The time has arrived for New York to join the ranks of the six other states which are promoting inconspicuous consumption of beverages.

The bottle bill before the Senate and Assembly (S. 2811 and A. 3692) will do precisely that:

--Every sealed container for beer, ale and carbonated soft drinks sold in New York would have a refund value of not less than five cents. The refund value would be marked on every new can or bottle. The bill in no way bans nonrefillable bottles--it only requires that every container sold have the deposit.

--Beverage retailers would be required to redeem the kinds of containers they sell and distributors would be required to accept them from the retailers. The distributors would pay 20% of the refund value as a handling fee.

--Cans with detachable tabs would be banned, as would plastic loop six-pack binders.

--To promote the return of containers, business and consumer groups are encouraged to operate redemption centers by permitting such centers to keep 20% of the deposit.

--To determine the effect of the law with regard to reducing litter and its effect on the beverage industry, the Department of Environmental Conservation would be mandated to conduct a study.

Support for the bottle bill is undeniably widespread. Seventy-six members of the Assembly, a majority, are co-sponsoring the legislation. Twenty members of the Senate are co-sponsoring the bill in that house, including Majority Leader Warren Anderson. Assembly Speaker Stanley Fink has indicated he supports the bill. On March 24, 1981, the Suffolk County Legislature passed a local version of the bottle bill. Numerous groups are behind the legislation, among them the League of Women Voters, the Farm Bureau, the New York Conference of Mayors, the Association of Towns, the New York Association of Counties, the Rochester City Council, the Broome County Legislature, the Environmental Planning Lobby, the Environmental Management Councils of Westchester, Monroe, Cattaraugus, Rockland, Greene and Dutchess Counties, the New York Public Research Interest Group, Common Cause, the Sierra Club and over 50 town and village governments.

The remainder of this report relates the experiences of the six states which have enacted returnable container legislation. It is divided into five categories: reduction of litter, energy savings, employment gains, cost to consumers, and beverage sales. The facts clearly demonstrate the beneficial results of a returnable container law.

II. REDUCTION OF LITTER

All bottle-bill states have experienced a great reduction in litter as a direct result of the legislation, and all have reported decreases in the volume of solid waste.

According to most reliable surveys, beverage containers make up from 24% to 35% of total roadside litter by volume and 6% to 8% of total solid waste. By reducing this significant amount of litter and waste, the work of refuse collection itself becomes more manageable and efficient. Some states have experienced substantial decreases in collection costs as a direct result of returnable container laws.

Vermont

A report written by U.S. Representative James M. Jeffords and Donald W. Webster, Vermont's Director of Environmental Protection, notes that the Vermont deposit law brought about an immediate reduction of the beverage container portion of litter by 76% and a reduction of total litter volume by 35%.

The report goes on to state:

"The results of the bottle bill are borne out by all available roadside litter figures reported by the State Highway Department. Since passage of the law, the Department has reduced its employee man-hours for litter pickup by 56.6 per-cent, even though there are more miles of road to clean and there is no longer massive assistance from volunteers. During the first four years of the law's duration, inflation has had its toll on all state programs. For litter pickup, the Department reports that rates paid for equipment have gone up more than 90%. But even in inflated-ravaged dollars, without adjusting, the cost to the state for litter pickup has been reduced by 31.3%. The precise figures reported by the Department are as follows:

<u>Fiscal Year</u>	<u>2-Zone Mileage</u>	<u>Man-Hours</u>	<u>Cost</u>
Fiscal 1973 (Pre-Law)	2,814	57,439	\$250,346
Fiscal 1977	2,923	24,983	\$172,030
(% change)	UP 3.87%	Down 56.5%	Down 31.3%

"These statistics are even more impressive when consideration is given to the fact that even with the dramatic reduction in state effort, Vermont now has spotlessly clean roadsides, an attribute we did not enjoy prior to passage of the deposit law." (B, pp. 16-17)*

*See contents page for note explaining references.

Maine

A 1980 U.S. General Accounting Office Report states:

"Several studies point to the reduction in litter along roads. The Maine Department of Conservation claims that beverage container litter on Maine roadsides has declined 69 to 77 percent since the bottle bill was implemented, while total litter by item count has dropped 34 to 64 percent. Very few containers found on the roadways were deposit containers. If we exclude no-deposit containers from the analysis, the decline in container litter was 96%. Another study by the Maine Department of Transportation showed that the overall litter reduction was 15 percent in 1978 and 10 percent in 1979. Combined container litter was down 55% in 1978 and 56% in 1979." (C, p. 9)

Michigan

According to the report of a special committee created to study the impacts of the Michigan Beverage Container Deposit Law:

"The Michigan deposit law was extremely effective in reducing the number of beer and soft drink bottles and cans littered. According to one report, the Michigan population saw 85% fewer littered beverage containers in September of 1979 than in 1978. The Michigan Department of Transportation reported a similar 84% reduction in its survey of Michigan highways. Some types of areas showed even greater reductions. Not one beverage container was found in any of the 12 sample sites along rural state highways. In the 11 residential areas sampled, beverage containers were reduced 95%.

"Calculations were also made to gauge the effect the deposit law has on the cost of picking up litter. Since litter other than beverage containers increased in 1979, expected pickup costs would have been higher than in 1978. Instead, as a result of the reduction in beverage containers, litter costs decreased. For rural areas the report estimates that costs were about 4% less than in 1978. If other forms of litter had not increased in 1979, the savings could have been as great as 13%. For urban areas the savings was greater, although the actual amount was not estimated in the report." (J, pp. 13-14)

Oregon

Separate analyses of Oregon litter data have been conducted by Applied Decisions Systems (ADS), the Oregon Environmental Council (OEC) and CalPIRG. Each is based on controlled litter counts taken by the State Highway Commission during the period one-year-before and two-years-following implementation of the bottle bill and each reports similar results:

1) During the law's initial year, soda and beer container litter declined 66-72%, and total litter dropped about a third.

2) During the law's second year, container litter dropped 82-83% and total litter volume was reduced by almost half.

3) If no-deposit containers originating out-of-state are excluded from the analysis (for the purpose of judging the potential of a national law), container litter was reduced 90%, and litter volume, 49%. (D, p. 80)

Connecticut

There have been no litter studies done to determine the impact of the bottle bill in Connecticut, but the Environmental Committee of the State Assembly sent out a survey questionnaire to each of Connecticut's 169 municipalities and received replies from 60.

The responses to the questionnaire were overwhelmingly positive with estimates of reduction in litter as high as 50% for all litter and 75% for bottles and cans.

These are some quotes from government officials responding to the questionnaire:

"Through the implementation of the 'Bottle Bill' we have experienced a marked decrease in litter in our state parks. The only bottles that are left are those purchased in other states.

"We find that if the picnickers leave bottles and cans behind that children collect them.

"There are positive spin-offs from this bill, e.g., fewer cut feet with more time for employees to direct their efforts to do other tasks (this is vital because of severe cuts in funds and employees), people seem to be more cognizant about depositing other forms of litter in proper receptacles, etc....

"From our operational standpoint, we endorse this bill 100%. We only wish that our surrounding states would adopt it." (William F. Miller, Director, Connecticut Office of Parks and Recreation)

"Therefore, we feel that some of the benefits of this Bill are self-evident by just examining the roadsides and public recreational areas. Other benefits, equally important, should give a big boost to resource recovery efforts which must be done on a large enough scale

to make it a profitable incentive and, therefore, commercially successful." (Louis A. Clapes, Mayor of the City of Stamford, Connecticut)

"I would like to point out that it has also encouraged thrift in the housewife and in young Americans who, for the first time, are putting money into savings accounts from bottle and can refunds.

"The one dark cloud in this program in New Canaan has been our direct proximity to New York State. As you know, New York does not have a refundable program and many New Canaan residents drive into New York State to save both the refund investment and the Connecticut State Sales and Use Tax." (Charles P. Morton, First Selectman, Town of New Canaan, Connecticut)

"We have, indeed, noticed the reduction of the amount of roadside litter and an even larger reduction in the litter in our public parks. I would not say that we have identified any lessening of the amount of refuse being deposited in our landfill, but the other favorable results of the bill make it very popular in our City.

"One valuable fallout from the program that I have noticed is the activity of many youngsters who are now scouring the roadside and public places for cans which have been thrown away so that they may return them and make a little money for themselves. I recall doing this myself as a youth and feel that it provides a wholesome beginning for the young entrepreneur." (William A. Collins, Mayor, City of Norwalk, Connecticut)

"This bill has resulted in tremendous reduction of litter throughout the City of West Haven, particularly at our beach areas, where broken glass has caused many foot and body lacerations in the past.

"We have found in our city that cans and bottles, even if discarded indiscriminately are quickly retrieved for their refund value. The natural conclusion to the abovementioned results of the Bottle Bill are that the life of our landfill will be extended and the city will be cleaner." (Robert A. Johnson, Mayor, City of West Haven, Connecticut)

III. ENERGY SAVINGS

In many ways the no-deposit, no-return bottle is a product of our previous heritage of energy excess and waste. However, given the recent changes in our nation's energy situation and the subsequent realization that we can no longer waste any of our energy resources, the demand for conservation is growing. There is no doubt that deposit laws significantly reduce energy consumption in the beverage industry. The GAO Report, for instance, says that a nationwide deposit law could result in a 33% reduction in total energy use for all beverage-related energy expenditures. (C, p. 34)

States with bottle bills have reported remarkable energy savings. Congressman Jefford's report notes:

"The energy savings made possible by Vermont's deposit legislation are substantial. Using the Federal Energy Administration's formula for computing energy impact and Vermont figures on return rate and market share of various types of containers, we have computed these energy savings at 708 billion BTU's... the energy equivalent of over five million gallons of Number Two fuel oil, or enough to provide for the home heating needs of 15,000 Vermonters..." (B, p. 30)

An analysis of the Oregon experience, written by Don Waggoner, past president of the Oregon Environmental Council, states that "approximately 1,400 billion BTU's are being saved each year as a result of the bottle bill. This is equivalent to the average Oregon home heating needs of 12,000 units that heat with natural gas or the population of a residential community... of 50,000." (A, p. 34)

The "bottle bill" presents a great potential for energy savings in New York State. Since the bill does not require the beverage industry to shift to refillable bottles, it is difficult to predict exactly what type of marketing strategy the industry will introduce under deposit legislation and thus the precise amount of energy savings. However, whatever pattern emerges--whether a heavy shift to refillable bottles or a retention of the present container types made from the huge backup supply of recyclable material that will become available under the "bottle bill"--deposit legislation will save significant amounts of energy for New York State.

According to the 1980 GAO Report, deposit laws result in return rates of at least 90% for all beverage containers with a deposit value. These returned containers, separated from the solid waste stream and readily available for recycling, represent an enormous amount of raw materials, given the size of the New York beverage market. When manufacturers begin to take advantage of this supply, energy consumption for beverage container production will decrease. Under a no-return system,

it takes 50.6 million BTU's to manufacture, fill and deliver 1,000 gallons of beverage in aluminum cans. Under a deposit law with a 90% return rate, it will take only 22.9 million BTU's for the same 1,000 gallons--a savings of over 50% without any reduction of production volume. The savings for refillables are even greater. Since most refillable bottles have a lifespan of 10 trips, it would take only 17 million BTU's to fill and package the same 1,000 gallons. (C, pp. 44, 46)

A 1975 New York State Senate report concluded that a deposit law would result in potential energy savings of approximately 12 to 25 trillion BTU's, the equivalent of 0.3% to 0.6% of the state's entire energy consumption. To put these figures in a more meaningful context, the range of energy savings is roughly equivalent to the energy consumed in heating 80,000 to 170,000 single-family, detached homes for one year. This is also equivalent to the energy necessary to run 120,000 to 250,000 cars during one year or, in other words, more than enough gasoline to supply all the cars in Syracuse and Onondaga County for one year. (G, p. 85)

It has been inferred that the washing operation involved in the use of refillable bottles places a heavier demand on water supplies than nonrefillable bottles and cans. But according to EPA data, the average refillable bottle (10 trips) uses less water in its manufacture and subsequent washings than all nonrefillable types except the aluminum can, which uses only slightly less water. Even a five-trip refillable bottle is virtually tied with conventional nonrefillable containers in this regard. (G, p. 94)

It is also erroneous to believe that the rewashing of refillable bottles will cause large amounts of caustic detergents to enter local water supplies in the form of "effluents." The solution for washing bottles is not used only once; it is mixed, then used until it weakens, and subsequently recharged as many times as possible before it must be disposed of. Before it is released into water systems as drainage, it is put into holding tanks which are then emptied gradually, preventing a sudden influx of detergents into the sewage stream. In addition, refillable bottles also generate the least amount of industrial solid waste of any conventional beverage container. Nonrefillable bottles generate three times the industrial waste of the ten-trip refillable and twice that of the five-trip. (G, p. 94)

In terms of air pollution, the ten-trip refillable again has less impact than any non-refillable container. Nonrefillables produce about 25% more air emissions than the five-trip refillable bottle. Both the steel-aluminum and all-aluminum can rate poorest in this regard, mainly due to the high energy consumption associated with aluminum. (G, p. 94)

IV. EMPLOYMENT GAINS

A state-by-state examination clearly demonstrates that net gains in employment are the direct result of returnable-container legislation, quite to the contrary of claims made by bottle-bill opponents. There have been a relatively small number of jobs lost at some container manufacturing plants. But not even all of these can be directly attributed to bottle bills; other market forces were involved. Moreover, the number of transportation, warehousing and recycling jobs created by returnable-container legislation far overshadows the jobs lost.

Job-loss figures cited by opponents of the bottle-bill in New York are based upon worst-case scenarios which experiences in other states clearly demonstrate are not realistic. The 1975 Senate Task Force study concluded that New York would have a net gain of 4,000 jobs. (G, p. 1)

Michigan

The state of Michigan, large and heavily industrialized, is, of all the bottle bill states, most similar in its economic environment to that of New York. The following chart shows Michigan's bottle bill-related employment effects. (C, p. 31)

MICHIGAN EMPLOYMENT GAINS AND LOSSES IN SOFT DRINKS AND BEER - 1979

	<u>Estimate Gains</u>	<u>Estimate Losses</u>
Soft drink bottlers	720	0
Brewers	68	0
Beer distributors	600	0
Retailers	3,500	0
Bottle Manufacturers	<u>0</u>	<u>-240</u>
Total Gain	4,888	
Total Loss		<u>-240</u>
Net Gain	4,648	

The net gain in jobs has obviously been far greater than losses. And even the 240 jobs lost has been contested and deserves closer scrutiny. Fifty-two of these jobs were lost when the National Can Company closed its suburban Detroit plant. According to a newspaper account by reporter Dick Kimmins, "Industry sources say the National Can facility closed its Livonia, Michigan plant because the Stroh Brewery decided to

build its own can plant near Fremont, Ohio." ("Job Issue Fizzles as Election Nears," Columbus Citizen Journal, 9/18/77) Obviously, a plant closing due to a loss of a production contract--a normal event in the free market--cannot be blamed upon the bottle bill.

In addition, another 161 of the jobs were eliminated at the Owen-Illinois glass-bottle plant southwest of Lansing in Charlotte. According to William Rustem, Michigan Governor William Milliken's environmental aide, 110 of the 161 laid-off workers at the Charlotte plant were CETA employees who, according to federal law, were hired only on a temporary basis. "Those /110/ layoffs," Rustem told Kimmins, "were not the result of the bottle bill."

If we take these factors into account, it would appear that the number of jobs lost is not 240, as most people believe, but rather closer to a figure of 80, overwhelmingly offset by a gain of nearly 5,000 new jobs.

Connecticut

Connecticut is the only state which provides a job indemnification fund for employees who lose their jobs as a result of that state's deposit legislation, and, consequently, it is fairly easy to approximate related job losses. According to Mr. George Wentworth, of the Connecticut Department of Labor, the agency which administers this provision of the law, through the week ending January 2, 1981, a total of 387 workers had qualified for compensation payments. Of these 387 workers, 140 reflect permanent job losses, while the majority, 247, reflect only temporary layoffs of one to two weeks within the same firm. All of the latter employees have subsequently been rehired by the same firm. In addition, the Connecticut law also provides for funds to provide for vocational training so that displaced workers can find work in related or other fields; very few of these funds, however, have been awarded. In a letter to State Senator James Lack, Joseph Peraro, Connecticut Labor Commissioner, said:

"Some monies have also been allocated to provide for vocational training under the reemployment assistance provisions of the law to a small number of workers. Generally, the limited number of training contracts developed has been attributable to the fact that most permanently displaced workers have skills which are readily transferable to other industries."

While there are no estimates available concerning the number of jobs created by the bottle bill in Connecticut, the general consensus among its Department of Labor officials is that there has been a net increase of employment positions in

trucking, warehousing, recycling and other beverage-related fields. The effect of deposit legislation, they feel, has been overwhelmingly positive in Connecticut.

Oregon

The best estimate of employment figures in Oregon comes from a comprehensive survey which included retailers, soft drink bottlers, brewers, distributors, can manufacturers and bottle manufacturers. The researchers, Drs. Gudger and Bailes, concluded that there were increased man-hours which amounted to a net full-time increase of 365 jobs. (A, p.3)

Their findings are shown below:

OREGON EMPLOYMENT IMPACT

Production labor	-350
Truck driving	+140
Warehouse and handling	+575
TOTAL	+365

Maine

The consensus among bottlers, distributors and state officials is that the deposit law has increased the number of jobs in Maine without causing any job losses. Interestingly, the gains in recycling jobs have been greater than anticipated. Other new jobs include production line jobs, washing and inspection and distribution. The 1980 General Accounting Office Report estimates the increase at 626 jobs in Maine, including the new jobs in recycling. (C, p. 9)

The recycling industry has expanded rapidly in Maine because there is now a steady stream of recyclable materials. People concerned about the environment worried initially whether markets could be found for the returned containers. Some distributors believed that they would simply move off the roads and into the dumps, where space was dwindling rapidly. The 27 full-time employees of the Maine Beverage Container Service every week smash or crush 40 to 100 tons of glass, 50 tons of cardboard, 50 tons of steel and 32 tons of aluminum cans and 15 tons of plastic. Distributors who do not crush their own containers store them in trailers that, when full, are picked up by recyclers and are replaced with empty ones. The recycler crushes the glass and flattens and bales the cans for further shipment to manufacturers. Distributors can often recover the full amount that they pay retailers for handling. (C, p. 10)

According to William Ginn, president of the Maine Audubon Society, the two largest recycling concerns in that state each

gross over \$1 million in business annually. Considering that recycling operations existed only in minimal fashion before passage of the Maine bill, and given the size of this state, this represents a major growth.

Vermont

According to the Vermont legislative report, "Claims by industry that deposit legislation would have a negative impact on employment, the economy and beverage consumption have not been borne out in Vermont: to the contrary, the law has created new jobs for Vermonters and beverage sales have risen to record levels in the state." (B, p. 24)

Thus, the law's impact upon employment has been strictly positive. While the number of new jobs created may not seem impressive to those accustomed to statistics relating to large population areas, it is not insignificant in a state as small as Vermont. Distributors and retailers have hired additional persons to handle and sort containers and to drive beverage trucks. Many of these positions are part-time, but in terms of man-hours, they add up to the equivalent of 150 full-time jobs in Vermont. In addition, since the law was passed, about 100 redemption centers for beverage containers have opened in Vermont. Most of these centers also serve as beverage retailers. It is safe to assume, says the Vermont state report, that these new businesses account for 200 to 300 additional full-time jobs in the state. (B, p. 29) The scorecard, therefore, in Vermont is: Jobs lost--0, Jobs gained--350 to 450.

Looking for a Scapegoat

When looking at the employment effects of deposit legislation, certain facts become apparent.

First, it appears that the industry and opposition claims of huge job losses are alarmist and exaggerated. In every state that has attempted to pass such legislation, opposition sources have conducted massive, well-financed campaigns which tell of astronomical job displacements that will result when deposit legislation is passed. Never have actual job losses approached these figures. It would appear that opponents of the bottle bill are using the bill as a scapegoat for many of the beverage industry's problems.

Concentration and consolidation in the beverage industry, along with increasing automation which has occurred in the shift to the throw-away containers, have led to the shutdown of many brewing and soft-drink companies. In 1935, for example, there were 765 brewing plants in the U.S., but by 1974 only 99 plants remained. A Department of Commerce, Bureau of the Census, report shows that 26,300 persons lost jobs in the brewing industry between 1958 and 1974. This trend is also being followed

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in the soft-drink industry. According to the Environmental Action Foundation, 7,900 workers lost their jobs in the soft-drink industry between 1970 and 1974, and Coca-Cola planned to phase out 900 franchised bottling plants across the country and replace them with 78 centralized plants by 1980.

A recent development will mean even greater job loss in the future. The plastic bottle is expected to have captured 10% or more of the throw-away container market by 1980. The rapid introduction of this container will mean job losses for workers in the glass and can industries, as manufacturers switch to plastic. A walk through any supermarket will confirm that plastic is rapidly replacing glass and metal as a container package.

Those job losses which have occurred, and continue to occur, in the beverage container industry have been the result of free-market forces, without any connection whatsoever to deposit legislation. Clearly, if these market forces continue to exert themselves--and there is no reason to assume that they will not--thousands more workers in the brewing and container manufacturing industries are bound to suffer job losses and dislocation. Undoubtedly, much of this will be blamed upon deposit legislation.

In addition, opponents of the bill argue that, due to deposit legislation, skilled workers with high-paying jobs will lose their positions, which will be replaced with menial, low-paying jobs. However, even if layoffs were to occur, union policy would dictate that those who lose their jobs would not be those workers with seniority (and attendant lack of mobility due to established permanence within the community), but rather those most recently hired; workers who are young, mobile and skilled are easiest to be re-employed. The skills in beverage container manufacturing are largely machine-operating skills, and as such, are easily transferable to other industries. Also, not all jobs created by the bottle bill will be low-paying and unskilled. While the majority of jobs will be in handling, sorting, washing, etc., there will also be a number of jobs created in recycling, truckdriving and warehousing; industries which require some degree of skill and are unionized and well-paying.

V. COST TO CONSUMERS

Claims that returnable container legislation will increase consumer costs are not well substantiated, nor do they take into account indirect savings to consumers which result from the recycling of materials and the lowering of costs for refuse collection.

Bottle bill opponents attribute increases in the cost of beverages to deposit legislation when, in fact, a close examination of the facts shows that normal market forces are behind higher prices. Although there may be some minor price rises soon after a bottle bill goes into effect, there is no hard evidence that returnable container laws cause a permanent increase in beverage prices. Given the rising costs of energy and raw materials, in the long run returnable containers may result in keeping the price of drinks down, especially with a high mix of refillable bottles.

Vermont

Vermont's bottle bill became effective in 1973. Prior to that time, Vermonters were paying an average of 30 cents more per six-pack of beer than their New Hampshire neighbors. (There is no bottle bill law in New Hampshire.) For soda, the average price in Vermont was five to eight cents a quart higher.

Today, Vermonters pay only an average of six cents more per six-pack of beer than their New Hampshire neighbors and five cents less per quart of soda (B, p. 20).

What makes these statistics even more remarkable is the fact that Vermont's malt beverage tax is nearly twice as high as New Hampshire's, and that beer can be sold as a loss-leader in New Hampshire, while that practice is prohibited in Vermont.

If bottle bills dramatically raise the prices of beverages, as opponents claim, then one would have expected the price spread for beer and soda between Vermont and New Hampshire to have increased. Instead, the spread decreased in the case of beer, and completely reversed itself in the case of soda.

Based on national average consumption figures, these statistics indicate that the typical Vermont family, rather than spending \$100 more per year for beverages as bottle bill opponents have claimed, has the opportunity for substantial savings -- the most conservative possible estimate being in the neighborhood of \$60 per year, directly attributable to the deposit law (B, p. 20).

WHOLESALE BEER PRICES IN VERMONT AS OF JUNE, 1977
 (All prices are for a case of six-packs, and
 adjusted for the 56.25 cents per case state tax)*

<u>BRAND</u>	<u>BOTTLES</u>	<u>CANS</u>
Black Label	4.13	4.88
Budweiser	5.53	5.53
Schaefer	4.52	4.93
Pabst	4.78	4.93
Schlitz	5.53	5.53
Miller	5.68	5.68

*Prices do not include mandatory deposit.

WHOLESALE BEER PRICES IN NEW HAMPSHIRE AS OF JUNE, 1977
 (All prices are for a case of six-packs, and adjusted
 for the 33.75 cents per case state tax)

<u>BRAND</u>	<u>BOTTLES</u>	<u>CANS</u>
Black Label	4.62	4.77
Budweiser	5.07	5.47
Schaefer	4.52	4.87
Pabst	4.72	4.87
Schlitz	5.07	5.47
Miller	5.07	5.47

(Survey results copyright 1977 by Vermont PIRG.)

According to Congressman Jefford's report:

"Under any objective analysis of price patterns in Vermont, two general conclusions are apparent:

"1. In all cases where the distributor takes advantage of the economic incentive for actual refilling of beverage containers, the consumer who chooses to purchase beverages in those containers saves a substantial amount of money. This opportunity for a saving is a direct result of the deposit law, as refillables were virtually unavailable in the state prior to enactment.

"2. While the economic logic would indicate that the mandatory deposit system would tend to raise prices of containers which are not refilled, in actual experience this effect has been negligible. The handling and storage costs inherent in the deposit system are partially compensated for by the value of the materials for recycling. The difference is apparently a miniscule factor in the price a consumer pays for beverages -- it is difficult to isolate this cost, but it amounts at the most to one or two cents in the price of a six-pack of unrefilled containers of beer or soda. If a cost of that magnitude does exist, it is offset many times over, not only by savings on other containers, but also savings of tax dollars for litter pickup." (B, p. 19)

Oregon

Oregon was the first state to pass bottle bill legislation; the law has been in effect there since October 1, 1972. There have been many claims of higher prices being paid by Oregon consumers for beverages than consumers in the bordering state of Washington. Sylvia Porter, the economic columnist, for instance, states that, "In Oregon. . . Portland consumers pay 24 cents more for a six-pack of a popular beer -- not counting the deposit -- than do residents of Vancouver, Washington." She cites as her source of information the Beer Wholesalers Association, a group which is vehemently opposed to bottle bill legislation.

However, according to Don Waggoner, past president of the Oregon Environmental Council, prices for comparable packages of beer sold in Oregon, compared to those in Washington, were essentially equal throughout both the "transition" period, during which Oregon was first adjusting to the bottle bill, and the "after" period in which Oregon had become firmly established as a mandatory deposit state. Soda prices in both states are also comparable (A, p. 30).

Iowa

The Iowa deposit law became effective on July 1, 1979, for all beverage containers. The Iowa Department of Environmental Quality has conducted the most detailed price survey of any of the bottle bill states. As the graphs on page 18 show, the pricing trend of the two most popular package sizes has been similar in the border region of Iowa and neighboring states, other than a dip in canned soda prices during the three months prior to the deposit law's implementation.

Beer prices reacted in much the same manner as pop prices in Iowa during the survey. As the graphs on page 19 indicate, the price of 12-ounce, six-pack cans and bottle beer rose abruptly in the interior Iowa region during the months just prior to the deposit law's implementation. The Iowa and out-of-state border regions both rose at the same rate, with bottle beer prices rising the most in late 1979. Out-of-state beer prices rose at a steady rate throughout the survey.

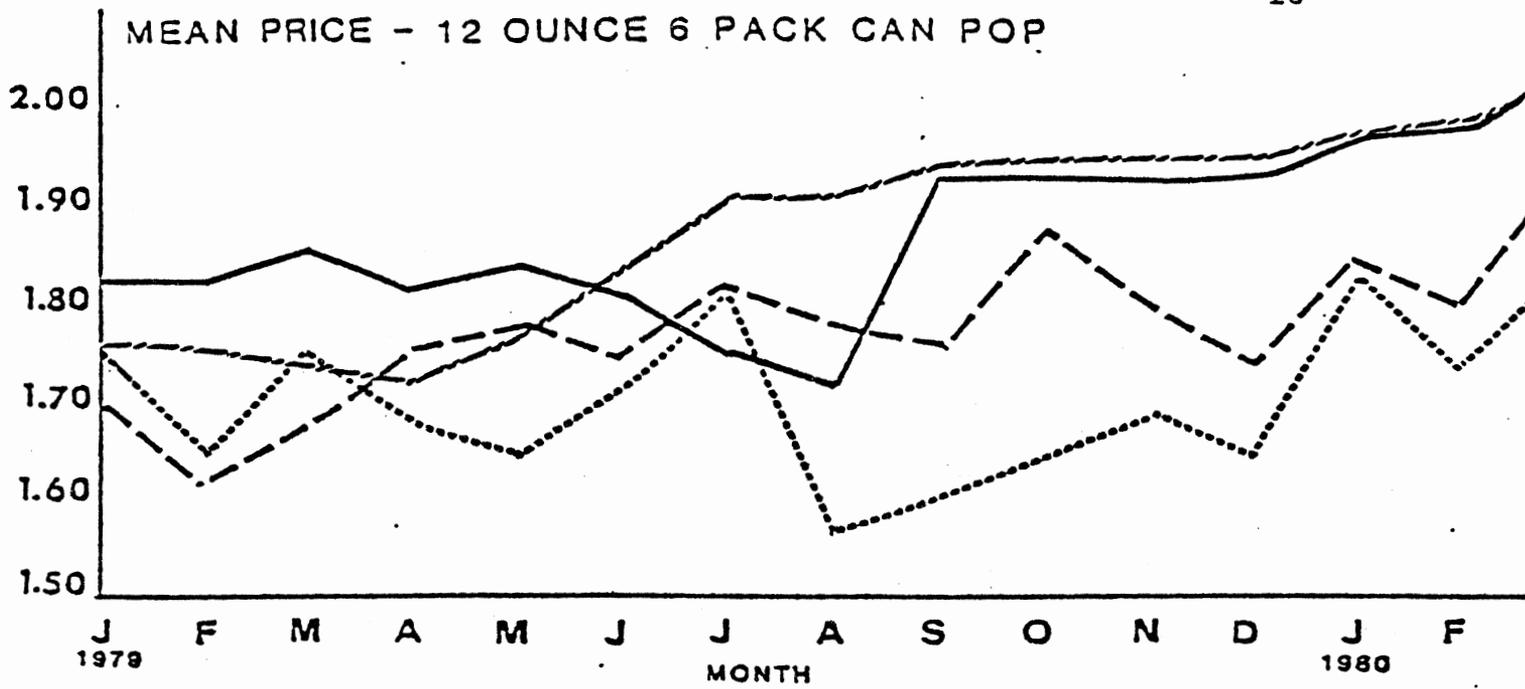
In other words, beverage prices in Iowa, which has a bottle bill and in the out-of-state regions surveyed, showed remarkably similar behavior in terms of prices. This would seem to indicate that the market forces which cause beverage price fluctuation manifest themselves with no regard for state borders. The same pricing trends which occurred in Iowa also occurred out-of-state, indicating that no single, in-state factor, including the bottle bill, could be cited as the only cause of price fluctuation. Any effects deposit legislation may have upon beverage prices, whether positive or negative, appear to be overshadowed by more pervasive market forces.

Michigan

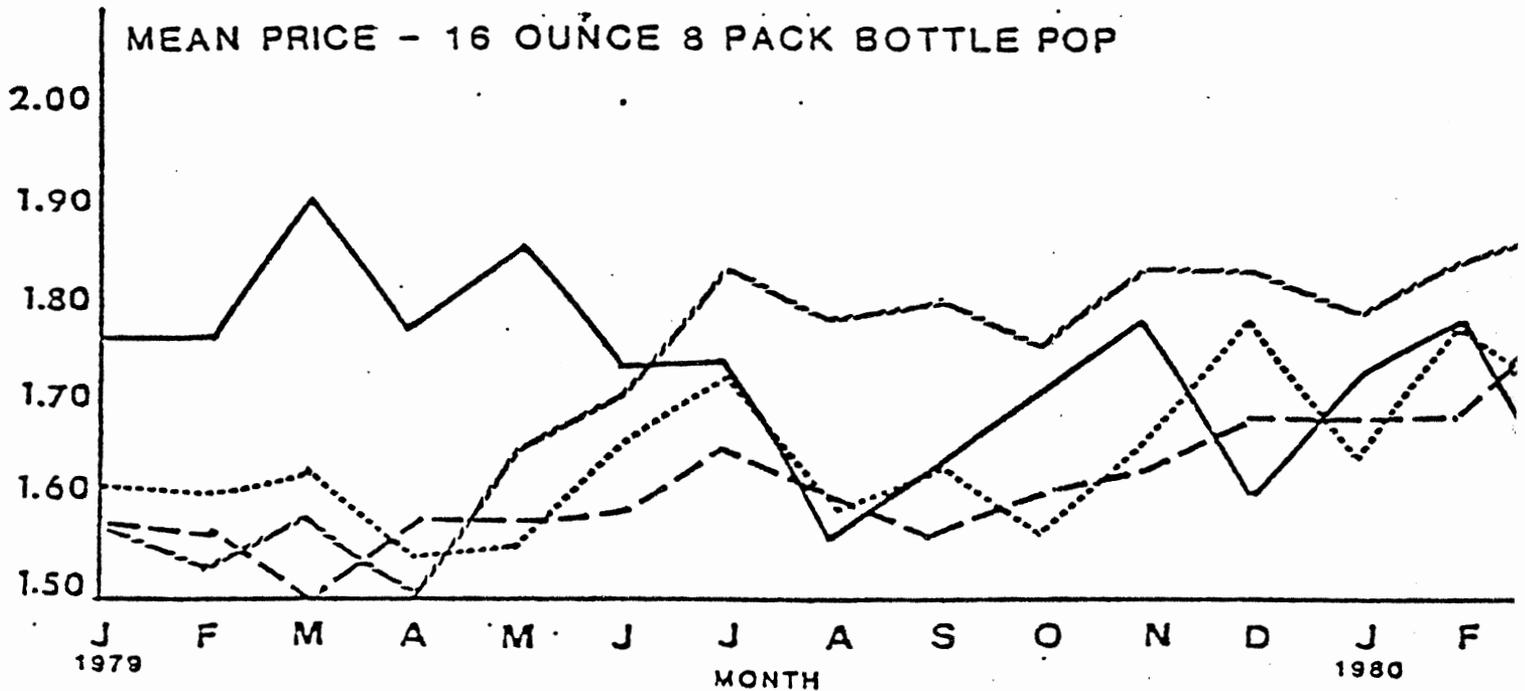
The Michigan law became effective in December, 1978. According to Sylvia Porter (who does not cite the source of her information), "In Michigan, the largest state to pass a bottle deposit law so far, residents near the border are reported driving to nearby states to save \$6.00 on a case of beer." This figure seems the exception rather than the rule.

A price comparison survey conducted in 1979 by Ehrhart-Babic Associates, which is frequently cited by bottle bill opponents, shows prices that do not approach the \$6.00 per case difference cited by Ms. Porter. For national brand beer in 12-ounce, six-pack cans, the difference is \$1.00 per case. For national brand beer in 12-ounce, six-pack bottles, the difference is \$1.24 per case.

Graph 1

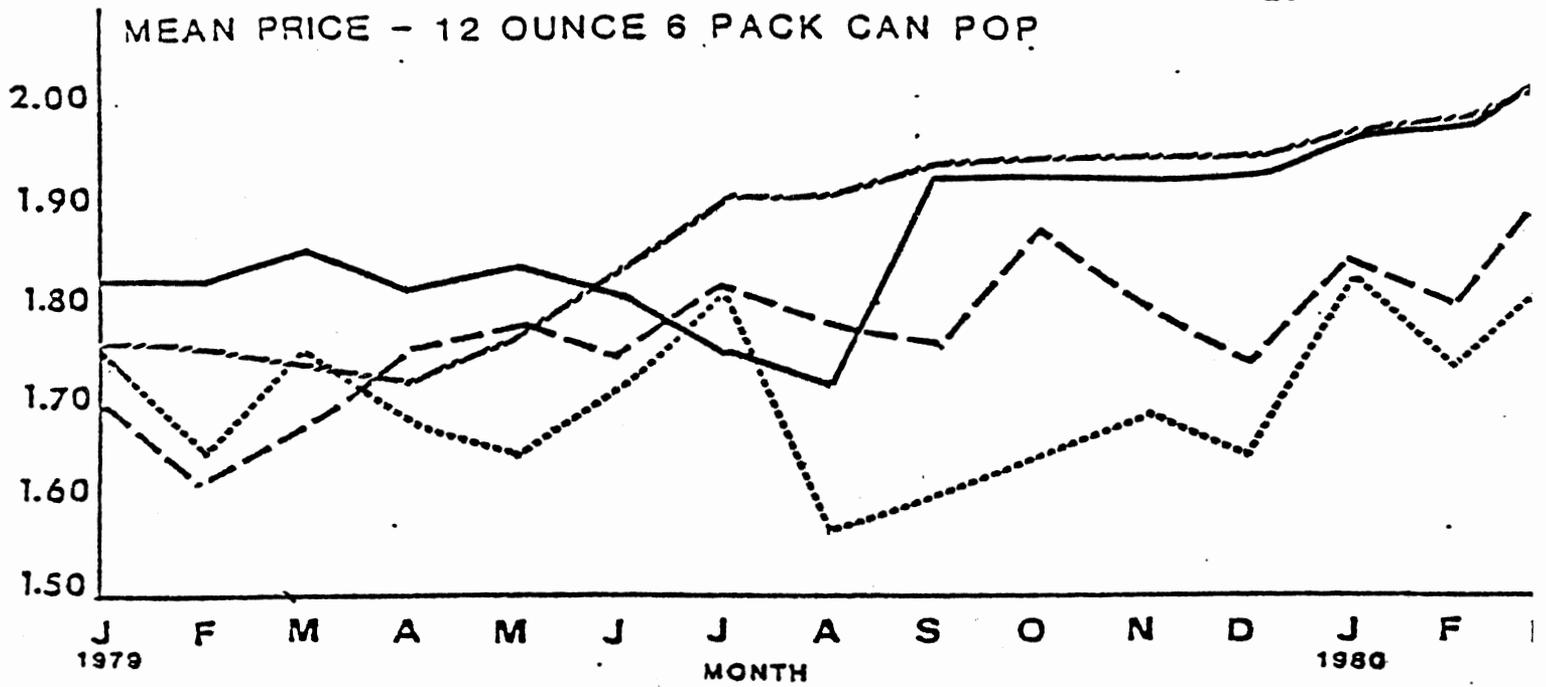


Graph 2

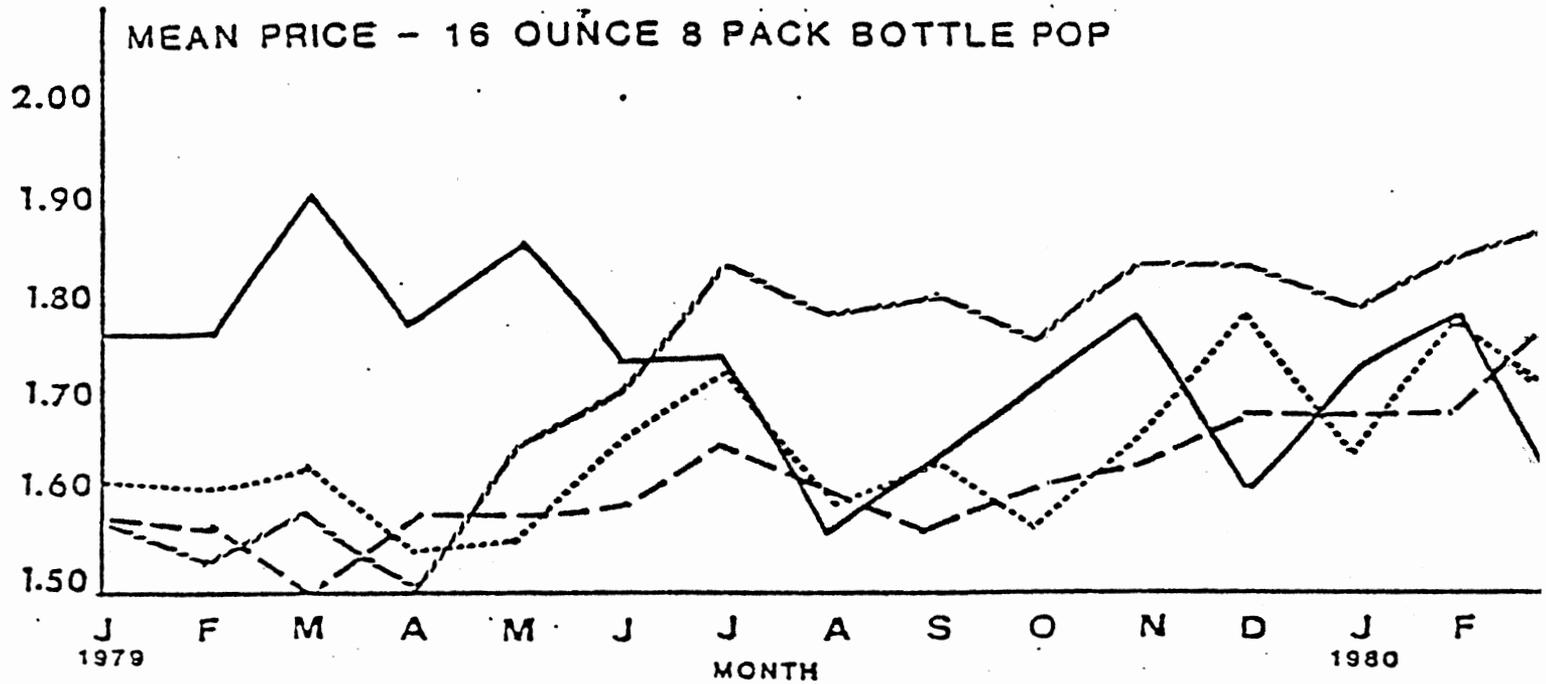


- - - - - IOWA BORDER OUT OF STATE BORDER
 - . - . - INTERIOR IOWA ——— OUT OF STATE

Graph 1



Graph 2



- - - - - IOWA BORDER
 - OUT OF STATE BORDER
 - . / . . . INTERIOR IOWA
 - - - - - OUT OF STATE

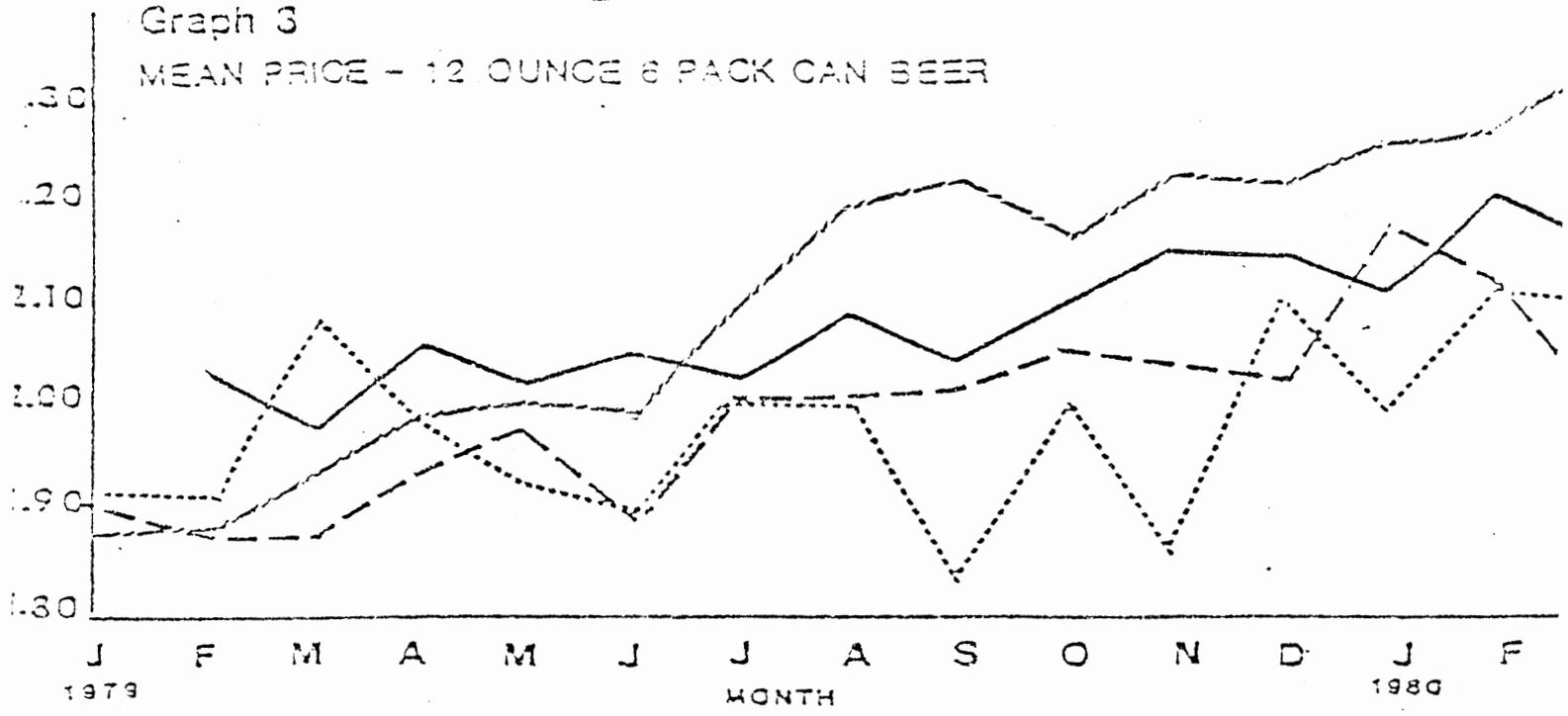
A number of factors make comparisons between Michigan and neighboring states difficult. Michigan has a higher excise tax than its neighbors. Michigan also bans retail price advertising and wholesale quantity discounts and, in addition, imposes a requirement that wholesale price reductions be maintained for six months once instituted. The final conclusion of the Special Committee to Study the Impact of the Michigan Beverage Container Deposit Law is that "consumer prices cannot be used as a gauge for determining the impact the deposit law has had on industry costs." (J, p. 20)

Connecticut

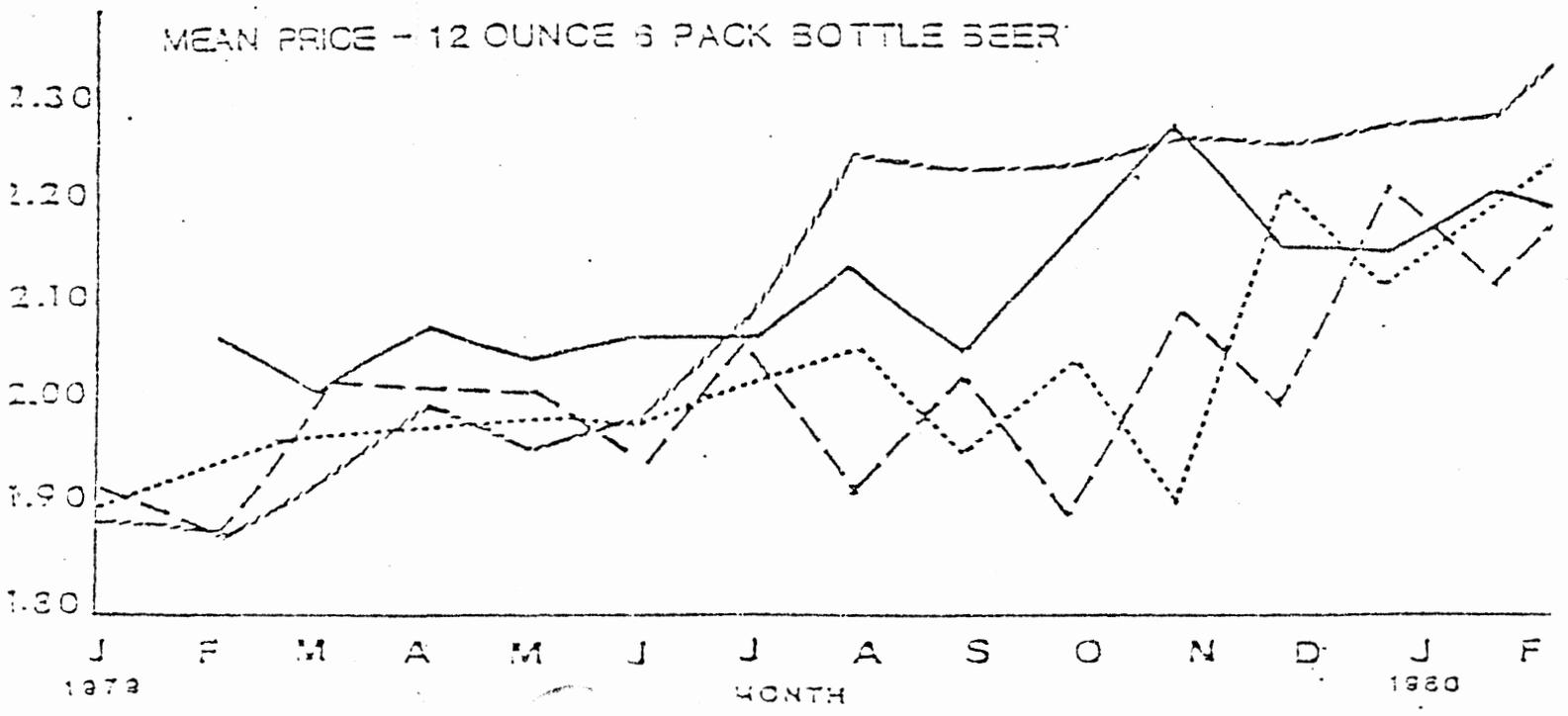
The Connecticut bill came into effect on January 1, 1980, and it is the newest of the bottle bill states. There have, however, been various reports of Connecticut residents flooding to states such as New York and Massachusetts to take advantage of lower prices. One article, for instance, by Dave Dunleavy, of the Danbury News-Times, is entitled, "Connecticut Bottle Bill Fills New York Liquor Stores!"

However, it is misleading to believe that prices are higher throughout Connecticut than they are in New York State solely as a result of the bottle bill. A recent price survey, conducted by NYPIRG between January 31, 1981, and February 13, 1981, revealed that consumers in Suffolk County, New York, pay, on the average, 21% more for soft drinks than consumers in Connecticut. The disparity in prices is even larger for glass-bottle beverages. The survey showed that Suffolk County residents are paying 41% more for RC Cola, 50% more for Coke and TAB, and a staggering 59% more for Pepsi, when compared on a cost-per-ounce basis in glass bottles. Clark Jablon, of the Stony Brook NYPIRG Chapter, which conducted the price survey, said, "It is highly unlikely that these differences could be attributed to regional factors since the observable data does not show such enormous variation for other container types."

Graph 3
MEAN PRICE - 12 OUNCE 6 PACK CAN BEER



Graph 4
MEAN PRICE - 12 OUNCE 6 PACK BOTTLE BEER



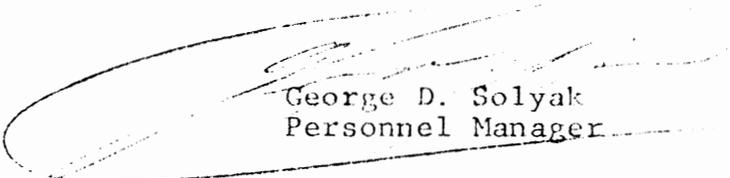
- - - - - IOWA BORDER ······ OUT OF STATE BORDER
 - · - · - INTER OR IOWA _____ OUT OF STATE

August 24, 1982

To The Committee:

This letter is to verify that Thatcher Glass Corporation located in Wharton, New Jersey receives between 1100 and 1300 tons of recycled glass per year in our once a week bottle redemption program. The bulk of this glass comes from church groups, Boy Scout and Girl Scout troops, area towns and other charitable groups. This figure represents a small portion of cullet which we use and does not include cullet received from recycling companies. I hope this information is of value to you.

GDS:fgm



George D. Solyak
Personnel Manager

146x



BOROUGH OF WHARTON

10 ROBERT STREET, WHARTON, N.J. 07885-1997

August 20, 1982

TO WHOM IT MAY CONCERN:

From the inception of its mandatory recycling program in October, 1981 through July, 1982, the Borough has collected and delivered to the Thatcher Glass Manufacturing Company, 138,230 lbs. of glass.


Anthony P. Guadagnino
Administrator-Clerk

nc

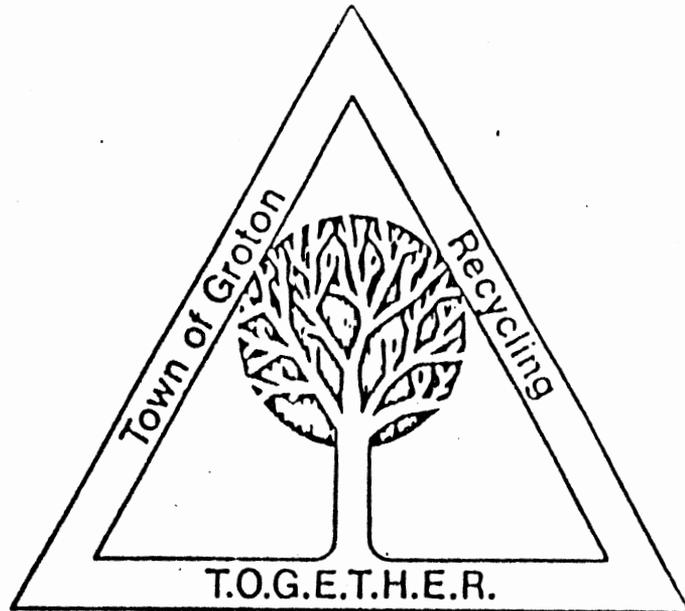
147x

attachment 1

Reprint of:

RESOLUTION SETTING FORTH
REGULATIONS CONCERNING
THE SEPARATION, RECOVERY,
COLLECTION, REMOVAL,
STORAGE AND DISPOSITION
OF GARBAGE, RUBBISH AND
OTHER REFUSE, INCLUDING
RECYCLABLES IN THE TOWN
OF GROTON

Adopted by the Groton
Town Council on
November 16, 1981



Town
Of
Groton
Effort
To
Help
Everyone
Recycle

Reprint prepared
and distributed by



Tel 445 8551 Ext 223

148x

BE IT RESOLVED, by the Council of the Town of Groton that the following regulations are hereby enacted in accordance with Ordinance #145 entitled an Ordinance Concerning the Separation, Recovery, Collection, Removal, Storage and Disposition of Garbage, Rubbish and other Refuse including Recyclables in the Town of Groton, Connecticut.

1. The following material shall be classified as recyclables and shall not be accepted at the Groton landfill unless separated in the two categories listed below and shall be deposited in the designated area, containers, or building.

Category (a) Newspapers and magazines

Category (b) Unbroken glass bottles and all types of metal cans

2. Contractors, Firms or individuals will be required to dispose of their separated recyclables in designated buildings, areas or containers before proceeding to the landfill proper or before disposing of any other material at the landfill.
3. Section 4, subsections a and b of said Ordinance concerning the manner in which recyclables are set out for collection including required special markings or decals, shall be governed by rules established between the property owner and the private collector or established by the appropriate subdivision with jurisdiction for collection.
4. All recyclables and non recyclables shall be set out for collection in an orderly sanitary condition so as not to constitute a nuisance or otherwise be objectionable.
5. Section 5 of said ordinance concerning schedule and frequency of collection of recyclables shall be governed by rules established between the property owner and the private collector or established by the approved subdivision with jurisdiction for collection.

6. No person having custody or control of residential, industrial or business premises within the Town of Groton shall permit or cause any garbage, rubbish, or other refuse, including recyclables, within his control to become a hazard or potential hazard to public travel, health or safety or to become a nuisance of any sort.
7. Each load will be subject to inspection by the attendant prior to disposing at the landfill proper.
 - (a) An indoctrination and education of 90 days from the effective date of these regulations is hereby established where any offense shall be handled as follows:
 - (1) verbal instruction to the offending party at the landfill.
 - (2) written notice to the offending party at the landfill.
 - (3) meeting with the offending party in order to determine the nature and reason for the repeated violations and the necessary follow up with the hauler or customer.
 - (4) the Town will assist the hauler in the follow up with any customer to resolve the problem.
 - (b) After June 1, 1982, any person violating any provision of these regulations shall be subject to a fine of not more than fifty dollars (\$50.00) for each offense, as provided in Ordinance #145. In addition, the Town of Groton, or its agent, reserves the right to refuse to allow disposal in the Town of Groton landfill where the spirit or letter of these regulations is ignored.

8. These regulations shall become effective as of March 1, 1982, and shall be published immediately after passage and again on or about February 19, 1982, in a daily newspaper having circulation in the Town of Groton.
9. The landfill recycling building will be open to receive recyclables Monday through Friday 8:00 a.m. to 4:00 p.m. and Saturday 8:00 a.m. to 3:00 p.m., closed on Sundays, New Years, Memorial Day, Fourth of July, Labor Day, Thanksgiving and Christmas. However, the residential recyclables drop off center at the landfill will be open Monday through Friday 8:00 a.m. to 5:00 p.m., Saturday 8:00 a.m. to 4:00 p.m. and Sunday 8:00 a.m. to noon, and all holidays except Thanksgiving and Christmas.
10. Appeals to decision by the Director of Public Works of these regulations shall be filed in writing with the Town Manager no later than (10) days from date of occurrence.
11. The Groton Town Council shall have full discretionary authority in deciding all disputed questions arising under the provisions of these regulations.



Town of Groton



"RECYCLING" IS NOW MANDATORY TRASH SEPARATION BEGINS MARCH 1, 1982

Dear Citizen:

As determined by the Groton Town Council, full implementation of the Groton Recycling Program will soon be initiated. Starting March 1, 1982, everyone disposing of refuse in the Groton landfill will be required to separate "recyclables" from other refuse material.

The Town has operated a voluntary recycling program since 1971. In 1978, the Town commenced a voluntary curbside collection along with drop off centers. In November of 1979, the Town Council, after RTM initiative, approved the "Recycling Ordinance", setting the framework for a mandatory townwide program and full conservation of the Town landfill.

If you live in the City of Groton or Navy housing, recycling may already have been initiated. Cooperation between you and your trash collector is essential to make recycling work. The manner in which recyclables are collected will be governed by rules established by your refuse collector.

Please read the information below which outlines what must be separated and how it can be done most conveniently.

Sincerely,

C. Richard Foote
Town Manager

WHO: EVERYONE whose trash is disposed of in the Groton landfill.

WHAT: TO SEPARATE RECYCLABLES AS REQUIRED, YOU SIMPLY DO THE FOLLOWING:

Separate your trash into the following three categories:

1. Newspapers and Magazines: can be put together.
2. Mixed Bottles and Cans: all unbroken glass bottles of any size and color and all types of metal cans may be mixed all together. These need not be washed or processed in any way.
3. All Other Trash

Other materials that may be included as recyclables, but are not required to be separated are:

Cardboard and Flat Paper—may be placed with newspapers.

Aluminum Trays and Foil—may be placed with mixed bottles and cans.

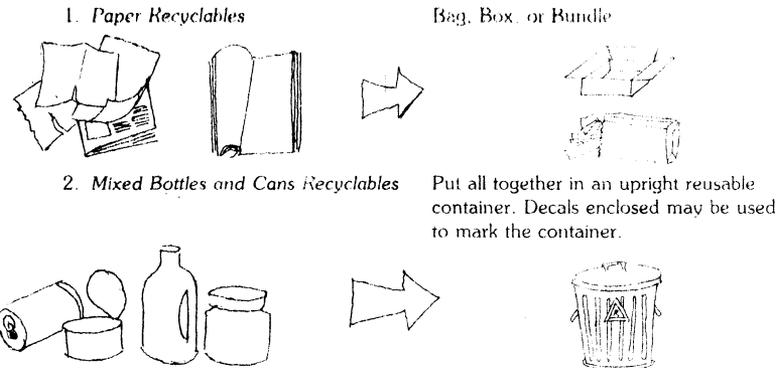
GET READY TO SORT OUT YOUR:



152x

Questions: Please call the Public Works Department at 445-8551, ext. 223, 224.

HOW: THE MANNER IN WHICH RECYCLABLES ARE SET OUT WHEN THEY WILL BE COLLECTED WILL BE DETERMINED BY YOUR INDIVIDUAL TRASH COLLECTOR. Here are some recommended methods on how to separate and handle them:



NOTE: NO CLOSED PLASTIC BAGS SHOULD BE USED FOR RECYCLABLE MATERIALS.

Citizens may also continue to deposit recyclables at the drop off areas throughout Town or at the Town landfill. It should also be noted that some other materials are considered recyclable such as ferrous materials (iron and steel), wood, tires and waste oil, and may be deposited in designated facilities at the landfill. Some of these materials will be picked up during spring and fall clean up.

WHY: Recycling will reduce the amount of waste going into the landfill and allow the recyclable materials to be sold, thereby reducing solid waste disposal costs to the Town.

- SAVE OUR TAX DOLLARS

- PROLONG USE OF GROTON LANDFILL

If the landfill is filled up, disposal cost per year could rise more than \$1,000,000.

As much as 40% of refuse can be recycled and eliminated from the waste stream

Current landfill life: 12-15 years.

- Save Energy - 96% of energy is saved if aluminum is made from recycled material.

- Reduce the cost of producing goods and conserve limited resources.

- Protect your environment.

Trash which is not separated as required will not be allowed disposal in the landfill. An education period has been established from March 1 to May 31, 1982. Beginning June 1, 1982, violations may be subject to a fine.

TOWN OF GROTON
45 Fort Hill Road
Groton CT 06340

GROTON
PERMIT
#378



CONSERVE OUR RESOURCES

T. O. G. E. T. H. E. R.

Town Of Groton Effort To Help Everyone Recycle

MANDATORY RECYCLING BEGINS MARCH 1, 1982

Starting March 1, 1982, all trash entering the Town Landfill must have "recyclables" separated from regular refuse material. Trash must be separated into the following categories:

- A) PAPER: Newspapers and Magazines - These may be bundled or placed in a paper bag or box.
- B) MIXED BOTTLES AND CANS - All types of unbroken glass bottles and all metal cans shall be deposited in the same container.

ALL OTHER HOUSEHOLD TRASH

The manner in which the recyclables will be handled and collected will be determined by your individual trash collector.

Other materials that may be included as recyclables, but are not required to be separated, are:

ALL CARDBOARD - May be placed with papers.

ALUMINUM TRAYS AND FOIL - May be placed with mixed bottles and cans.

Some areas of Town may begin voluntary recyclables collection in January or February 1982. Watch newspapers for details.

GET READY TO SORT OUT YOUR:



154x

ANY QUESTIONS: Please call the Public Works Department at 445-8551 Ext. 223,224



CONSERVATION SOCIETY

of

LONG BEACH ISLAND

Barnegat Light, N.J. 08006

August 24, 1982

Assembly Energy and Natural Resources Committee
State House
CN 042
Trenton, NJ 08625

Re: Beverage container deposit legislation

Dear Committee Members:

On behalf of the Long Beach Island Conservation Society, I would like to take this opportunity to express our strong support for passage of a "Bottle Bill" which would require deposits on beverage containers and would require that these containers be recyclable.

Legislation of this type would, we believe, have certain positive effects on the people of New Jersey. First, and most obviously, it would make for a cleaner and more scenic environment. Bottles and cans provide most of the visible pollution in our parks, along our roadways and on our beaches. This does nothing to add to their attractiveness and, in fact, may lead visitors to search elsewhere for a place to spend their leisure time. We have some of the most beautiful beaches in the country and they help generate millions of dollars of business for the tourist industry each year. If we want to continue to receive this influx of money, we must make our beaches as attractive as possible, and that means keeping them free of empty and broken cans and bottles.

There is a second monetary benefit which would arise from this bill. As you know, with the exception of newspapers and magazines, bottles and cans account for the largest percentage of our solid waste. Whether taxpayers pay their individual municipalities to arrange for trash pickup or whether they contract for this service on an individual basis, they have to pay to have their garbage removed. Obviously, the less garbage there is to remove, the lower the cost. If we can remove bottles and cans from our garbage cans and place them back on our store shelves, we require less in the way of trash pickups and we save money.

August 24, 1982

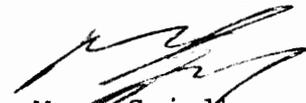
There is a potential third financial benefit from this legislation. While it is true that these bills may have a detrimental effect on our bottle industry, they can, at the same time, help create a new recycling industry. All of these returnable bottles have to be collected and sterilized before they can be reused. Obviously, someone has to be hired to perform these services, thus leading to the creation of new jobs.

One negative comment often raised about these bills is that they will lead to a greater cost to the consumer. Our group takes the position that the ultimate cost to society will be lowered through recycling. At the present time, when an individual purchases a bottle of beer, he also ends up paying certain hidden societal costs. These include the cost of having this bottle added to a solid waste disposal site and having that site be filled up that much sooner. In addition, there is the cost of having that bottle picked up by someone else if this individual carelessly tosses it away in a field, in a lake or stream, in a park, on a beach or elsewhere. More clean-up crews have to be hired to "pick-up" after this person. If the bottle is broken and left lying about, it can lead to injuries which have to be treated by a doctor or at a hospital. Each of these items costs society money, and as we as individuals make up society, we are the ones who pay these costs. The only difference is that we do not pay them when we buy that bottle of beer. Instead, we pay them when we pay our local, county or state taxes, we pay them when we pay for our medical insurance or for our doctor or hospital bills, and we pay them when our taxes are raised because fewer tourists used our facilities and spent money in our state. When you take all of these hidden costs into account, it becomes apparent that we cannot afford not to pass this type of legislation.

Finally, many of you will remember the days of your youth when you went around and picked up empty bottles and took them to your local supermarket for the refund money. This money may have often been used to buy comic books, gum or candy, but at least you had the money to spend. With a 5¢ refund on bottles, today's kids only have to collect five bottles and they have enough money for a game of Pac Man. Even better, this is a game which will have been made possible through their own hard work, rather than through taking mom or dad into giving them the money. This would at least be a start of keeping the work ethic alive in the younger generation.

Let's help keep New Jersey the Garden State and not the Garbage State by enacting this legislation.

Respectfully submitted,



Marc Spielberg
Sec'y, Conservation
Society of LBI

22 Bank Street
Princeton, NJ 08540
14 July 1982

The Honorable Robert Hollenbeck, Chairman
Assembly Committee on Energy and Natural Resources
The State House
Trenton, N.J. 08650

Dear Mr. Hollenbeck:

Since Oregon passed the first state bottle bill, I have followed with great interest the course of the movement to handle beverage containers more efficiently.

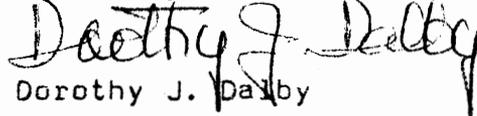
The comments that have been made to me personally by people who have traveled in the United States in and out of states with regulatory legislation are entirely consistent: the improvement in the landscape in those states requiring deposits on containers is strikingly visible.

Noteworthy also is Governor Carey's decision to sign the New York bill after a telephone conversation with the governor of Michigan.

I do realize that retailers of soft drinks and beer--mostly supermarkets and liquor stores--will have problems to solve, and possibly will decide that it is necessary to raise slightly the cost of the drinks. If so, it is regrettable. But surely the community at large, in which a considerable number do not use beverages in containers, should not be burdened with the trouble and expense of handling the debris of throw-away containers. That is patently unfair.

A1753 is not a perfect bill but it seems to me it represents a reasonable compromise. I urge you and your committee to report favorably upon it.

Sincerely,


Dorothy J. Dalby

ENVIRONMENTAL AGENCY

JOAN BATORY
Director



Camden County

Administration Building
600 Market Street
Camden, New Jersey 08101
(609) 757-8979

Testimony presented by this Agency before the Assembly Committee of Energy and Natural Resources, Aug. 25, 1982, Chairman, Assemblyman Robert P. Hollenbeck on pending legislation regarding beverage container recycling.

There is an urgent need to enact legislation that will eliminate the waste of non-returnable beverage containers in this State. Recycling this resource will reduce the need for raw finite materials like aluminum, glass and plastic. Recycling would extend the life of landfills since these non-biodegradable materials would be removed from the waste stream.

In addition to the beneficial environmental and natural resource ramifications of beverage container legislation, there would be positive aesthetic value. Recycling would help to alleviate the unsightliness of beverage containers strewn along roadways and streets of our communities.

Presently, there is strong grass-root support for the container recycling effort in New Jersey. The evidence of this can be seen in several ordinances passed by local communities.

There are also positive economic aspects to container recycling legislation. The first is related to landfill charges for municipalities. All New Jersey communities will experience savings from a reduced waste stream. Whole new employment opportunities will be created in hard-pressed inner-cities since unskilled labor is well suited for recycling activities. The six states that now have container legislation, Oregon, Vermont, Michigan, Maine, Iowa and Connecticut, have had net increases in employment related to the

Page 2
Testimony Aug. 25, 1982
Pending beverage container legislation

beverage and container industry since the enactment of their beverage container recycling legislation.

The use of non-returnable containers over the last twenty years has resulted in burgeoning waste heaps of trash filling our landfills and littering our highways. In 1960, 95% of soft drinks and 50% of beer containers were refillable. In 1979, 66% of soft drinks and 79% of beer were in throw-away containers.

The reported New Jersey figures are staggering. People in the State of New Jersey discard 621,000 tons of glass bottles and 322,000 tons of beverage cans a year. The New Jersey Department of Transportation alone in 1980 spent \$1.3 million to pick up roadside litter. Almost 40% of roadside litter is containers. The potential savings in preventing those containers from reaching roadside areas is self-evident.

Appropriate legislation is now before the New Jersey Assembly's Energy and Natural Resources Committee that would address the beverage container problem. Ideally, Assembly bills A78 and A1294 fully address the non-returnable container problem. They would deal completely with environmental issues since they call for refilling returnable containers. This would promote reduced energy use as well as removing containers from the landfill and littering waste stream. They also provide for potential temporary employment dislocation within the beverage industry.

The goal of new legislation should be to at least remove non-returnable containers from our streets and landfills. Assembly bill A1753 would do that. It provides for deposits on bottles and cans. It would establish a fund for the temporarily dislocated beverage and container industry employees. Although it does not call for refilling containers, it would remove the bottles from the waste stream by the return for deposits system. The ultimate end of containers provided for in this bill would be a recycled non-refillable product. The A1753 addresses the primary goal of non-returnable containers.

The facts of beverage container recycling efforts in all other states implementing such a program clearly prove that New Jersey can only benefit from following their example. This is one of the few areas in environmental matters that New Jersey has not led the way. It's not too late to correct past mistakes. The N.J. legislators must understand that, we the people, are tired of seeing mile after mile of roadside bottle and can litter. We don't want to canoe down pristine streams paved with cans. We don't want to waste our natural resources. The image of New Jersey is at stake. We're known as cancer alley. Do we also want to be known as the trash capitol of the Northeast. We need a recycled beverage container bill now. Governor Kean and our representatives - listen to the people and clean up the Garden State.

GULF STATES

P. O. Box 7130 • Trenton, New Jersey 08628 • (609) 883-5000

September 16, 1982

The Honorable Robert Hollenbeck
Chairman, Assembly Energy & Natural
Resources Committee
State House
Trenton, New Jersey 08625

Dear Sir:

We are opposed to legislation mandating deposits on beverage containers. Such laws passed in other States have not proven to reduce litter but have seriously disrupted the beverage distribution systems, resulting in higher prices, consumer inconveniences, reduced sales, sanitation problems and lay-offs.

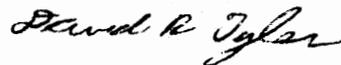
We feel a law such as this would have the same undersirable effects on the New Jersey container industry, an industry which is already hard pressed to remain viable.

The New Jersey Recycling Plan, effective January 1, 1982, is a more effective and less costly way to control litter and reduce solid waste. This program should be given a fair chance to work before abandoning it for one in which no benefits have been shown.

Glass recycling, which has expanded 325% in the last few years, will continue to expand rapidly under this plan. Please do not impose further hardships in an already declining New Jersey glass industry.

Very truly yours,

GULF STATES CORPORATION



D. R. Tyler

DRT/kp

TESTIMONY OF
E. E. FULLER,
AMERICAN CAN COMPANY
GREENWICH, CT
AUGUST 25, 1982

BEVERAGE PRICES
UNDER DEPOSIT LEGISLATION

- CONSUMERS IN STATES WITH DEPOSIT LAWS PAY HIGHER PRICES THAN THEY WOULD HAVE WITHOUT IT, AS COMPARED TO PRICES CONSUMERS PAY IN NEIGHBORING STATES WITHOUT DEPOSIT LAWS. (PRICE SURVEYS 2 & 5)
- AFTER A DEPOSIT LAW BEGINS, PRICES RISE MORE THAN THEY DO IN NEIGHBORING NON-DEPOSIT STATES DURING THE SAME TIME PERIOD. (IOWA DEPT. OF ENVIRONMENTAL QUALITY SURVEY AND PRICE SURVEYS 2, 4, & 5)
- PRICES REMAIN HIGHER OVER TIME IN DEPOSIT LAW STATES. (GRAPHS OF IOWA AND CONNECTICUT PRICES 1979, 1980, 1982)

PRICE SURVEY OVERVIEW

- ACTUAL SHELF PRICES IN RETAIL SUPERMARKETS OF NATIONAL BRANDS OF BEER AND SOFT DRINKS RECORDED BY INDEPENDENT SURVEY AND AUDIT FIRMS IN APRIL, 1979, DECEMBER, 1979, AND MAY, 1980.
- STORES WERE SURVEYED IN MAJOR POPULATION CENTERS GEOGRAPHICALLY DISTRIBUTED THROUGHOUT EACH STATE.
- PRICES SURVEYED ARE REPRESENTATIVE OF PRICES PAID FOR MORE THAN 75 PERCENT OF THE VOLUME OF PACKAGED BEER AND SOFT DRINKS SOLD IN EACH STATE IN THOSE BRANDS.
- NATIONAL BRANDS SURVEYED WERE MILLER, BUDWEISER, SCHLITZ AND COKE, PEPSI, AND 7-UP. SIX PACK PRICES ON 12 OZ. BEER, 12 OZ. AND 16 OZ. SODA AND PER BOTTLE PRICES ON 32 OZ. AND 2 LITER.

	<u># STATES</u>	<u># STORES</u>	<u># BEER PRICES</u>	<u># SOFT DRINK PRICES</u>
PRICE SURVEY #2	4 DEP. LAW 16 NON-DEP.	141 698	636 2839	1324 7458
PRICE SURVEY #4	IOWA DEP. 5 NON-DEP. NEIGH.	36 152	121 522	317 1605
PRICE SURVEY #5	6 DEP. LAW 13 NON-DEP.	202 633	942 2855	2105 7344
IOWA DEQ SURVEY	IOWA DEP. IL, MO, KS	16 CITIES 10 CITIES	5 BRANDS 5 BRANDS	5 BRANDS 5 BRANDS

BEVERAGE PRICES - DEPOSIT STATES
 COMPARED TO NEIGHBORING STATES
(NATIONAL BRANDS)

PRICE SURVEY #2 - APRIL 1979

	<u>AVERAGE PRICES 4 DEP. LAW STATES (PLUS DEPOSIT)</u>	<u>AVERAGE PRICES 16 NEIGHBORING NON-DEP. STATES</u>	<u>DIFF.</u>
<u>BEER</u>			
12 OZ. CAN/BOTTLE 6-PACK	2.33	2.03	+ .30
<u>SOFT DRINKS</u>			
12 OZ. CAN - 6 PACK	1.82	1.75	+ .07
16 OZ. BOTTLE - 6 PACK	1.63	1.62	+ .01
32 OZ. BOTTLE - EACH	.51	.48	+ .03
2 LITER BOTTLE - EACH	1.29	1.16	+ .13

PRICE SURVEY #5 - MAY 1980BEER

12 OZ. CAN/BOTTLE 6 PACK	2.54	2.29	+ .25
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SOFT DRINKS

12 OZ. CAN - 6 PACK	1.97	1.91	+ .06
16 OZ. BOTTLE - 6 PACK	1.76	1.52 REFIL.	+ .24
32 OZ. BOTTLE - EACH	.62	.51 REFIL.	+ .11
2 LITER BOTTLE - EACH	1.37	1.35	+ .02

PRICES - BEER 12 oz. CAN/BOTTLE
(6 PACK, NAT'L BRANDS)

	<u>APRIL 1979</u>	<u>MAY 1980</u>	<u>DIFFERENCE</u>	
IOWA - DEPOSIT	1.96	2.32	+ .36	

ILLINOIS	2.01	2.21	+ .20	
MINNESOTA	2.07	2.34	+ .27	
MISSOURI	2.06	2.29	+ .23	
NEBRASKA	2.03	2.32	+ .29	
				<u>MARCH 1982</u>
CONN. - DEPOSIT	2.08	2.60	+ .52	2.87

MASSACHUSETTS	2.06	2.38	+ .32	2.74
NEW YORK	2.08	2.36	+ .28	No SURVEY

PRICES - SOFT DRINKS 12 oz. CAN
(6 PACK, NAT'L BRANDS)

	<u>APRIL 1979</u>	<u>MAY 1980</u>	<u>DIFFERENCE</u>	
IOWA - DEPOSIT	1.66	1.90	+ .24	

ILLINOIS	1.89	2.04	+ .15	
MINNESOTA	1.68	1.97	+ .19	
MISSOURI	1.86	2.08	+ .22	
NEBRASKA	1.86	2.15	+ .29	
				<u>MARCH 1982</u>
CONN. - DEPOSIT	1.69	1.97	+ .28	2.14

MASSACHUSETTS	1.59	1.67	+ .08	1.84
NEW YORK	1.80	1.93	+ .13	NO SURVEY

PRICES - SOFT DRINKS 16 oz. BOTTLE
(6 PACK, NAT'L BRANDS)

	<u>APRIL 1979</u>	<u>MAY 1980</u>	<u>DIFFERENCE</u>	
IOWA - DEPOSIT	1.26	1.39	+ .13	

ILLINOIS	1.38 +DEP.	1.49 +DEP.	+ .11	
MINNESOTA	1.34 +DEP.	1.48 +DEP.	+ .14	
MISSOURI	N/A	1.67 +DEP.	-	
NEBRASKA	N/A	1.47 +DEP.	-	
				<u>MARCH 1982</u>
CONN. - DEPOSIT	1.87 NR	2.07 NR	+ .20	N/A
	-	1.75 REFIL.	-	1.92

MASSACHUSETTS	1.91 NR	2.04 NR	+ .13	2.36
NEW YORK	1.93 NR	2.21 NR	+ .28	No
	1.32 REFIL.	1.53 REFIL.	+ .21	SURVEY

N/A - NOT AVAILABLE IN STORES SURVEYED

NR - NON-REFILLABLE

NOTE: 16 OZ. IS APPROXIMATELY 14% OF TOTAL SOFT DRINK MARKET.

PRICES - SOFT DRINKS 32 oz/1 LITER BOTTLE
(PER CONTAINER, NAT'L BRANDS)

	<u>APRIL 1979</u>	<u>MAY 1980</u>	<u>DIFFERENCE</u>	
IOWA - DEPOSIT	.39 REFIL.	.47 REFIL.	+ .08	

ILLINOIS	.42 REFIL.	.50 REFIL.	+ .08	
MINNESOTA	.42 REFIL.	.50 REFIL.	+ .08	
MISSOURI	N/A	.52 REFIL.	-	
NEBRASKA	N/A	.49 REFIL.	-	
				<u>MARCH 1982</u>
CONN. - DEPOSIT	.60 NR	.73 NR	+ .13	.84

MASSACHUSETTS	.58 NR	.64 NR	+ .06	.76
NEW YORK	.66 NR	.73 NR	+ .07	No SURVEY

PRICES - SOFT DRINKS 2 LITER/64 OZ. BOTTLE
(PER CONTAINER, NAT'L BRANDS)

	<u>APRIL 1979</u>	<u>MAY 1980</u>	<u>DIFFERENCE</u>	
IOWA - DEPOSIT	1.12	1.27	+ .15	

ILLINOIS	1.17	1.35	+ .18	
MINNESOTA	1.21	1.46	+ .24	
MISSOURI	1.27	1.43	+ .16	
NEBRASKA	1.23	1.44	+ .21	
				<u>MARCH 1982</u>
CONN. - DEPOSIT	1.04	1.26	+ .22	1.37

MASSACHUSETTS	.99	1.20	+ .21	1.23
NEW YORK	1.17	1.34	+ .17	NO SURVEY

RESULT OF HIGHER PRICES

IOWA ● PLUS \$21.4 MILLION PER YEAR EXTRA
FOR BEER AND SOFT DRINKS DUE TO
DEPOSIT LAW.

CONNECTICUT ● PLUS \$34 MILLION PER YEAR EXTRA
FOR BEER AND SOFT DRINKS DUE TO
DEPOSIT LAW.

NEW JERSEY ●

BEER & SOFT DRINK RETAIL PRICES

COVERING:

Survey # 2

839 Supermarkets in 20 States
141 in 4 Deposit States
698 in 16 Non-Deposit Law States

Survey Conducted Week of 4/9/79

SUMMARY

	Average Prices 4 Deposit Law States	Average Prices Neighboring Non Deposit Law States	Price Difference
Beer-National Brands-12 oz. Cans-6 Pack	\$2.31 + deposit	\$2.04	+ .27
Beer-National Brands-12 oz. Bottles-6 Pack	\$2.34 + deposit	\$2.01	+ .33
Soft Drinks-National Brands-12 oz. Cans-6 Pack	\$1.82 + deposit	\$1.75	+ .07
Soft Drinks-"Store Brands"-12 oz. Cans-6 Pack	\$1.35 + deposit	\$1.14	+ .21
Soft Drinks-National Brands-16 oz. Btls.-6 Pack	\$1.63 + deposit	\$1.62	+ .01
Soft Drinks-National Brands-32 oz. Btl.	\$.51 + deposit	\$.48	+ .03
Soft Drinks-National Brands-2 Liter Btl.	\$1.29 + deposit	\$1.16	+ .13

This is the second survey comparing supermarket prices for canned and bottled beer and soft drinks in deposit states, with the prices for similar products in neighboring non-deposit states. This second survey covered 839 supermarkets selected at random in 20 states. It was conducted the week of April 9, 1979 by Ehrhart-Babic Associates, a nationally known independent survey firm for, the Can Manufacturers Institute and the Glass Packaging Institute.

The results of both surveys are essentially the same. Consumers in deposit states, on the average, are paying higher prices for their beverages before deposits and sales taxes, than are their neighbors in non-deposit states. A projection of these price differences shows that beer consumers alone could expect to pay a premium of \$1.9 billion per year, exclusive of excise taxes, if deposit laws were to spread to all 50 states. Soft drink prices are also higher in deposit states. By conservative estimates, consumers would pay in excess of \$500 million more under deposit laws.

Even in Oregon, seven years after their deposit law went into effect, consumers pay on the average 20¢ a six pack more for beer (net of excise tax) and 12¢ a six pack more for soft drinks than do consumers in neighboring states.

This second report was expanded to include prices on quart, liter and two-liter size soft drinks.

Can Manufacturers Institute
 Glass Packaging Institute
 Washington, D.C.

SUPERMARKET RETAIL PRICE SURVEY

BEER & SOFT DRINKS

WEEK OF 4/9/79

	Deposit-Michigan	Non-Deposit Neighbors-Avg. (Wisconsin Indiana Ohio)	Price Difference
Beer-National Brands-12 oz. Cans-6 Pack	\$2.39 + deposit	\$2.14	+.25
Beer-National Brands-12 oz. Bottles-6 Pack	\$2.45 + deposit	\$2.14	+.31
Soft Drinks-National Brands-12 oz. Cans-6 Pack	\$1.98 + deposit	\$1.76	+.22
Soft Drinks-"Store Brands"-12 oz. Cans-6 Pack	\$1.28 + deposit	\$.99	+.29
Soft Drinks-National Brands-16 oz. Bottles-6 Pack	\$1.68 + deposit	\$1.41 + dep.	+.27
Soft Drinks-National Brands-32 oz. Bottle	\$.52 + deposit	\$.49 + dep.	+.03
Soft Drinks-National Brands-2 Liter Bottle	\$1.36 + deposit	\$1.23 + dep.	+.13

	Deposit-Oregon	Non-Deposit Neighbors-Avg. (Calif. Wash. Nev. Idaho)	Price Difference
Beer-National Brands-12 oz. Cans-6 Pack	\$2.26 + deposit	\$1.99	+.27
Beer-National Brands-12 oz. Bottles-6 Pack	\$2.20 + deposit	\$1.96	+.24
Soft Drinks-National Brands-12 oz. Cans-6 Pack	\$1.87 + deposit	\$1.76	+.11
Soft Drinks-"Store Brands"-12 oz. Cans-6 Pack	\$1.42 + deposit	\$1.16	+.26
Soft Drinks-National Brands-16 oz. Bottles-6 Pack	\$1.61 + deposit	\$1.49	+.12
Soft Drinks-National Brands-32 oz. Bottle	\$.48 + deposit	\$.46 + dep.	+.02
Soft Drinks-National Brands-2 Liter Bottle	\$1.32 + deposit	\$1.17	+.15

	Deposit-Maine	Non-Deposit Neighbors-Avg. (New Hamp. Mass.)	Price Difference
Beer-National Brands-12 oz. Cans-6 Pack	\$2.29 + deposit	\$1.98	+.31
Beer-National Brands-12 oz. Bottles-6 Pack	\$2.29 + deposit	\$1.91	+.38
Soft Drinks-National Brands-12 oz. Cans-6 Pack	\$1.56 + deposit	\$1.58	-.02
Soft Drinks-"Store Brands"-12 oz. Cans-6 Pack	Not Offered	\$1.09	--
Soft Drinks-National Brands-16 oz. Bottles-6 Pack	\$1.64 + deposit	\$1.86	-.22
Soft Drinks-National Brands-32 oz. Bottle	\$.55 + deposit	\$.57	-.02
Soft Drinks-National Brands-2 Liter Bottle	\$1.05 + deposit	\$1.01	+.04

	Deposit-Vermont	Non-Deposit New Hampshire	Price Difference
Beer-National Brands-12 oz. Cans-6 Pack	\$2.27 + deposit	\$1.92	+.35
Beer-National Brands-12 oz. Bottles-6 Pack	\$2.26 + deposit	\$1.80	+.46
Soft Drinks-National Brands-12 oz. Cans-6 Pack	\$1.62 + deposit	\$1.57	+.05
Soft Drinks-"Store Brands"-12 oz. Cans-6 Pack	Not Offered	\$1.17	--
Soft Drinks-National Brands-16 oz. Bottles-6 Pack	\$1.55 + deposit	\$1.78	-.23
Soft Drinks-National Brands-32 oz. Bottle	\$.45 + deposit	\$.58	-.13
Soft Drinks-National Brands-2 Liter Bottle	Not Offered	\$1.05	--

PRE-LAW STATUS

WEEK OF 4/9/79

	Deposit-Iowa Prelaw	Non-Deposit Neighbors-Avg. (Neb. Ill. Minn. Mo. Wisc.)	Price Difference
Beer-National Brands-12 oz. Cans-6 Pack	\$1.95	\$2.02	-.07
Beer-National Brands-12 oz. Bottles-6 Pack	\$1.96	\$2.03	-.07
Soft Drinks-National Brands-12 oz. Cans-6 Pack	\$1.66	\$1.81	-.15
Soft Drinks-"Store Brands"-12 oz. Cans-6 Pack	\$1.16	\$1.24	-.08
Soft Drinks-National Brands-16 oz. Bottles-6 Pack	\$1.26	\$1.42	-.16
Soft Drinks-National Brands-32 oz. Bottle	\$.39	\$.47	-.08
Soft Drinks-National Brands-2 Liter Bottle	\$1.12	\$1.19	-.07

Note: Iowa law effective 7/1/79

	Deposit Connecticut Prelaw	Non-Deposit Neighbors-Avg. (New York Massachussets)	Price Difference
Beer-National Brands-12 oz. Cans-6 Pack	\$2.08	\$2.08	0
Beer-National Brands-12 oz. Bottles-6 Pack	\$2.07	\$2.07	0
Soft Drinks-National Brands-12 oz. Cans-6 Pack	\$1.69	\$1.74	-.05
Soft Drinks-"Store Brands"-12 oz. Cans-6 Pack	\$1.14	\$1.06	+.08
Soft Drinks-National Brands-16 oz. Bottles-6 Pack	\$1.91	\$1.92	-.01
Soft Drinks-National Brands-32 oz. Bottle	\$.60	\$.62	-.02
Soft Drinks-National Brands-2 Liter Bottle	\$1.04	\$1.10	-.06

Note: Connecticut law effective 1/1/80.

CANNED "PRIVATE BRAND" SOFT DRINKS

Deposits Raise Prices, Lower Availability

In many stores the lowest retail prices for soft drinks in single serving size containers are the canned "private" or "store" brands distributed through a "warehouse system." Most national brand soft drinks use the "driver delivery system". This price survey of 839 supermarkets again showed that deposit laws tend to *lower the availability* and *raise the prices* of "store" brands:

	Deposit States (4)	Non-Deposit States (16)
Average Price-Six Pack	\$1.35	\$1.14
Stores Offering	18%	45%

SUPERMARKET PRICE SURVEY

BEER & SOFT DRINKS

WEEK OF APRIL 9, 1979

NON-DEPOSIT LAW STATES

	WISC.	IND.	OHIO	MASS.	NEW HAMP.	CONN.	NEW YORK	ILL.	MO.	NEB.	MINN.	CALIF.	NEV.	WASH.	IDAHO	AVERAGE
Beer-National Brands-12 oz. Cans-6 Pack	1.88	2.09	2.22	2.06	1.92	2.08	2.07	2.02	2.05	2.02	2.07	1.89	1.98	2.24	2.09	2.04
Beer-National Brands-12 oz. Bottles-6 pk.	1.89	2.10	2.21	2.06	1.80	2.07	2.08	2.00	2.07	2.07	***	1.90	1.95	2.12	2.04	2.01
Beer Excise Tax/6 Pack	3.75¢	5.25¢	9¢	6¢	8.5¢	4.75¢	2.5¢	4¢	3.4¢	8¢	7.25¢	2.25¢	3.4¢	2.75¢	8.4¢	5.28¢
Soft Drinks-National Brands-12 oz. Cans 6 pk.	1.69	1.73	1.81	1.59	1.57	1.69	1.80	1.89	1.86	1.86	1.68	1.74	1.81	1.87	1.77	1.75
Soft Drinks-"Store Brands"-12 oz. Cans 6 pk.	***	1.11	.97	1.00	1.17	1.14	1.08	1.27	1.26	1.26	***	1.14	1.07	1.29	1.12	1.14
Soft Drinks-National Brands-16 oz. Bottles 6 pk.	1.02	1.30	1.42	1.91	1.78	1.87	1.93	1.38	***	1.98	1.34	1.36	1.63	1.66	1.30	1.62
Soft Drinks-Nat'l. Brands-32 oz. Bottle	+ dep	+ dep	+ dep					+ dep				+ dep	+ dep	+ dep	+ dep	
Soft Drinks-Nat'l. Brands-2 liter Bottle	.72	.39	.49	.58	.58	.60	.66	.42	.68	.60	.42	.44	.62	.48	.38	.48
	+ dep	+ dep	+ dep					+ dep			+ dep	+ dep	+ dep	+ dep	+ dep	
	1.12	1.16	1.29	.99	1.05	1.04	1.17	1.17	1.27	1.23	1.14	1.14	1.19	1.22	1.18	1.16

DEPOSIT LAW STATES

	(Plus Deposit)					
	IOWA**	MICH.	MAINE	VERMONT	OREGON	AVERAGE*
Beer-National Brands-12 oz. Cans-6 Pack	1.95	2.39	2.29	2.27	2.26	2.31
Beer-National Brands-12 oz. Bottles-6 Pack	1.96	2.45	2.29	2.26	2.20	2.34
Beer Excise Tax/6 Pack	8¢	11.5¢	14¢	14¢	4.75¢	11.06¢
Soft Drinks-National Brands-12 oz. Cans-6 Pack	1.66	1.98	1.56	1.63	1.88	1.82
Soft Drinks-"Store Brands"-12 oz. Cans-6 Pack	1.16	1.28	***	***	1.42	1.35
Soft Drinks-National Brands-16 oz. Bottles-6 Pack	1.26	1.68	1.64	1.55	1.61	1.63
Soft Drinks-National Brands-32 oz. Bottle	.39	.52	.55	.45	.48	.51
Soft Drinks-National Brands-2 Liter Bottle	1.12	1.36	1.05	***	1.32	1.29

**Iowa law takes effect 7/1/79
Prices shown are prelaw

*Excluding Iowa
***Not Offered

IMPACT OF DEPOSIT LAWS ON BEER PRICES

Survey results show deposit state beer prices net of excise taxes average 3.5¢ per container higher in cans and 4.5¢ per container higher in bottles than in neighboring deposit states. Projecting this difference over the 29 billion cans used for beer nationally and the 20 billion bottle fillings produces a total potential differential figure under deposit laws of \$1.9 billion for all 50 states.

DEPOSIT LAW EFFECTIVE DATES

Oregon	10/1/72
Vermont	7/1/75
Maine	1/1/78
Michigan	12/3/78
Iowa	7/1/79
Connecticut	1/1/80

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BEVERAGE PRICE SURVEY COMPARISON

APRIL/DECEMBER 1979

IOWA VS. NEIGHBOR STATES

	NON-DEPOSIT LAW STATES										NON-DEP. AVG.		IOWA		DIFFERENCES APR. TO DEC.			
	ILLINOIS		MINNESOTA		MISSOURI		NEBRASKA		WISCONSIN		AVG.		IOWA		NON-DEP.		IOWA	
	APR.	DEC.	APR.	DEC.	APR.	DEC.	APR.	DEC.	APR.	DEC.	APR.	DEC.	APR.	DEC.	\$	%	\$	%
Beer - Nat'l Brands- 12 oz. cans	2.02	2.16	2.07	2.30	2.05	2.17	2.02	2.16	1.88	2.23	2.02	2.19	1.95	2.25*	+.17	8.4	+.30	15.4
Beer - Nat'l Brands- 12 oz. bottles	2.00	2.16	****	2.28	2.07	2.16	2.07	2.24	1.89	2.14	2.03	2.19	1.96	2.29*	+.16	7.9	+.33	16.8
Soft Drinks - Nat'l Brands - 12 oz. cans	1.89	1.97	1.68	1.74	1.86	2.08	1.86	1.93	1.69	1.86	1.82	1.93	1.66	1.87*	+.11	6.0	+.21	12.7
Soft Drinks - Store Brands - 12 oz. cans	1.27	1.43	****	1.21	1.26	1.27	1.26	1.38	****	1.43	1.26	1.37	1.16	1.30*	+.11	8.7	+.14	12.1
Soft Drinks - Nat'l Brands - 16 oz. btls.	1.38*	1.49*	1.34*	1.35*	****	1.58*	1.98	1.26*	1.02*	1.18*	1.35*	1.35*	1.22*	1.22*	0	0	0	0
Soft Drinks - Nat'l Brands - 32 oz. btls.	.42*	.47*	.42*	.39*	.68	.50*	.60	.42*	.36*	.45*	.41*	.44*	.39*	.41*	+.03	7.3	+.02	5.1
Soft Drinks - Nat'l Brands - 2 liter	1.17	1.27	1.14	1.33	1.27	1.45	1.23	1.21	1.12	1.18	1.19	1.27	1.12	1.22*	+.08	6.7	+.10	8.9

* Plus Deposit

**** Not Available in stores surveyed

Projecting the April/December price differential for beer and carbonated beverage to a full year, this survey shows that due to the deposit law, Iowans will spend \$21.4 million more a year for beer and beverage purchases than people residing in a neighboring non-deposit state of similar size and beverage consumption.

This is the fourth in a continuing series of beverage price surveys by the Can Manufacturers Institute and Glass Packaging Institute.

This one covered 36 supermarkets in deposit law Iowa and 152 supermarkets in non-deposit law neighboring states in December 1979.

It compares prices to those found in a similar survey (#2) taken in April 1979 of 29 supermarkets in Iowa and 130 in neighbor states.

Note: April is pre-deposit law in Iowa. Law effective 7/1/79.

Can Manufacturers Institute
Glass Packaging Institute
Washington, D.C.

BEER & SOFT DRINK RETAIL PRICES

COVERING:

835 Supermarkets in 19 States
202 in 6 Deposit Law States
633 in 13 Non-Deposit Law States

Survey Conducted Week of 5/15/80

SUMMARY

	Average Prices 6 Deposit Law States	Average Prices Neighboring Non Deposit Law States	Price Difference
Beer-National Brands-12 oz. Cans-6 Pack	\$2.53 + deposit	\$2.28	+ .25
Beer-National Brands-12 oz. Bottles-6 Pack	\$2.55 + deposit	\$2.29	+ .26
Soft Drinks National Brands-12 oz. Cans-6 Pack	\$1.97 + deposit	\$1.91	+ .06
Soft Drinks "Store Brands"-12 oz. Cans-6 Pack	\$1.29 + deposit	\$1.21	+ .08
Soft Drinks-National Brands-16 oz. Btls.-6 Pack	\$1.76 + deposit	\$1.52 + deposit	+ .24
Soft Drinks-National Brands-32 oz. Btl.	\$.62 + deposit	\$.51 + deposit	+ .11
Soft Drinks-National Brands-2 Liter Btl.	\$1.37 + deposit	\$1.35	+ .02

This is the fifth in a series of supermarket surveys on beer and soft drinks. It compares shelf prices in deposit law states with those in neighboring non-deposit states. It covers 835 supermarkets selected at random in the six deposit-law states and also in thirteen neighboring states.

The survey was conducted simultaneously in all states the week of May 15, 1980 by National Retail Tracking Index, Inc. of Englewood Cliffs, New Jersey, a nationally known independent survey firm, for the Can Manufacturers Institute.

Like the previous studies, it confirms that consumers in deposit law states, on the average, pay substantially more for their beverages than their neighbors in non-deposit states.

Contrary to popular myths espoused by deposit law proponents, prices go up after such laws take effect because the costs of returning, sorting, handling, washing and refilling empty containers are much higher than any savings generated by law.

Oregon, eight years later, still has higher average prices than nearby Washington and California.

This survey can now be used to compare pre- and post-deposit law prices in Connecticut and reaffirms the results of Survey #4 which compared before-and-after prices in Iowa. In both states, prices for beer and soft drinks increased at a much higher rate than their neighbors in the same time period (see page 3 for Connecticut comparison).

Citizens in Iowa are now paying more than \$20 million a year, and in Connecticut \$34 million, to reduce the beverage container portion of roadside litter. Other states, such as Washington and Virginia, are spending less than one-tenth of these amounts in successful programs which reduce all litter, not just beverage containers.

Can Manufacturers Institute
Washington, D.C.

SUPERMARKET PRICE SURVEY

BEER & SOFT DRINKS

WEEK OF MAY 15, 1980

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NON-DEPOSIT LAW STATES														
	MASS.	NEW HAMP.	NEW YORK	RHODE ISLAND	WISC.	IND.	OHIO	ILL.	MO.	NEB.	MINN.	CALIF.	WASH.	AVERAGE
Beer-National Brands 12 oz. Cans - 6 Pack	2.38	2.21	2.35	2.35	2.14	2.16	2.40	2.19	2.27	2.30	2.34	2.14	2.42	2.28
Beer - National Brands- 12 oz. Bottles - 6 pk.	2.38	2.12	2.36	2.35	2.08	2.18	2.43	2.23	2.31	2.33	2.59	2.15	2.37	2.29
Beer Excise Tax/6 Pack	6¢	8.5¢	2.5¢	4¢	3.75¢	5.25¢	9¢	4¢	3.4¢	8¢	7.25¢	2.25¢	2.75¢	5.13¢
Soft Drinks - Nat'l Brands 12 oz. Cans 6 pk.	1.67	1.78	1.93	1.72	1.89	1.90	2.03	2.04	2.08	2.15	1.97	1.78	1.75	1.91
Soft Drinks - "Store" Brands 12 oz. Cans 6 pk.	1.12	1.10	1.13	1.10	***	***	1.17	1.26	1.26	1.42	1.07	1.24	1.20	1.21
Soft Drinks - Nat'l Brands 16 oz. Bottles 6 pk.	2.04	1.47	1.53	2.26	1.21	1.44	1.49	1.57	1.67	1.47	1.48	1.60	1.60	1.52*
Soft Drinks - Nat'l Brands 32 oz. Bottle	.64	+ dep.	+ dep.	.65	+ dep.									
Soft Drinks - Nat'l Brands 2 liter Bottle	1.20	1.25	1.34	1.24	1.27	1.31	1.40	1.35	1.43	1.44	1.46	1.37	1.33	1.35

*Deposit Containers Only

Beer-National Brands-12 oz. Cans-6 Pack
 Beer-National Brands-12 oz. Bottles-6 Pack
 Beer Excise Tax/6 Pack
 Soft Drinks-National Brands-12oz. Cans-6 Pack
 Soft Drinks-"Store" Brands-12 oz. Cans-6 Pack
 Soft Drinks-National Brands-16 oz. Bottles-6 Pack
 Soft Drinks-National Brands-32 oz. Bottle
 Soft Drinks-National Brands-2 Liter Bottle

DEPOSIT LAW STATES							
(Plus Deposit)							
	CONN	IOWA	MICH.	MAINE	VERMONT	OREGON	AVERAGE
Beer-National Brands-12 oz. Cans-6 Pack	2.60	2.31	2.54	2.64	2.52	2.59	2.53
Beer-National Brands-12 oz. Bottles-6 Pack	2.60	2.33	2.53	2.62	2.56	2.57	2.55
Beer Excise Tax/6 Pack	4.75¢	8¢	11.5¢	14¢	14¢	4.75¢	9.5¢
Soft Drinks-National Brands-12oz. Cans-6 Pack	1.97	1.90	2.09	1.88	1.88	1.97	1.97
Soft Drinks-"Store" Brands-12 oz. Cans-6 Pack	1.31	1.30	1.39	1.27	***	1.24	1.29
Soft Drinks-National Brands-16 oz. Bottles-6 Pack	1.75	1.39	1.87	1.92	1.74	1.71	1.76
Soft Drinks-National Brands-32 oz. Bottle	.73	.47	.64	.59	.57	.54	.62
Soft Drinks-National Brands-2 Liter Bottle	1.26	1.27	1.48	1.25	1.13	1.53	1.37

DEPOSIT LAW EFFECTIVE DATES
 Oregon 10/1/72
 Vermont 7/1/75
 Maine 1/1/78
 Michigan 12/3/78
 Iowa 7/1/79
 Connecticut 1/1/80

***Not Offered
 Prices do not include deposit or sales tax.

PRICE COMPARISONS BEER & SOFT DRINKS

CONNECTICUT AND NEIGHBORS PRE-LAW VS POST-LAW

180X

	DEPOSIT					NON-DEPOSIT NEIGHBORS									
	Connecticut					Massachusetts				New York				Non-Deposit Neighbors	
	4/9/79	12/17/79	5/15/80	Difference 4/79-5/80	%	4/9/79	12/17/79	5/15/80	Difference 4/79-5/80	4/9/79	12/17/79	5/15/80	Difference 4/79-5/80	Avg. Diff. 4/79-5/80	%
Beer-National Brands 12 oz. Cans - 6 Pack	2.08	2.18	2.60	+52	+25.0	2.06	2.23	2.38	+32	2.07	2.19	2.35	+28	+30	+14.5
Beer-National Brands- 12 oz. Bottles - 6 pk.	2.07	2.18	2.60	+53	+25.6	2.06	2.23	2.38	+32	2.08	2.19	2.36	+28	+29	+14.0
Soft Drinks - Nat'l Brands 12 oz. Cans 6 pk.	1.60	1.77	1.97	+28	+16.6	1.59	1.74	1.87	+28	1.60	1.67	1.83	+23	+11	+6.5
Soft Drinks - "Store" Brands 12 oz. Cans 6 pk.	1.14	1.13	1.31	+17	+14.9	1.09	1.15	1.12	+3	1.08	1.10	1.13	+5	+8	+8.8
Soft Drinks - Nat'l Brands 16 oz. Bottles 6 pk.	1.87	1.86	2.07	+20	+10.7	1.81	2.04	2.04	+23	1.93	1.93	2.21	+28	+21	+10.9
Soft Drinks - Nat'l Brands 32 oz. Bottle	.60	.61	.73	+13	+21.7	.58	.61	.64	+6	.66	.67	.73	+7	+9	+14.5
Soft Drinks - Nat'l Brands 2 liter Bottle	1.04	1.01	1.26	+22	+21.2	.99	1.00	1.20	+21	1.17	1.18	1.34	+17	+19	+17.6

Prices do not include deposit or sales tax.

Note: 4/9/79 and 12/17/79 surveys are pre-deposit law in Connecticut (law effective 1/1/80)

This chart shows the dramatic increases in prices which occurred in Connecticut after January 1, 1980 when the deposit law took effect.

In the April and December 1979 surveys, prices were generally close to those of New York and Massachusetts. During that time period, prices rose in all three states at about the same rate. But, from December 1979 to May 1980 prices in Connecticut rose much more than did those in the two neighbor states. This means that citizens in Connecticut are paying \$34 million more per year for beer and soft drinks than they would have without deposit legislation.

BEVERAGE PRICE SURVEY

by the

Air and Land Quality Division

Iowa Department of Environmental Quality

February, 1981

Abstract

The beverage price survey was conducted to monitor retail grocery store price changes in Iowa to determine the impact of the beverage container deposit law. The survey data indicated that due to the law soft drink prices increased up to approximately 3.3 cents per twelve ounce can and 2.5 cents per sixteen ounce bottle with border prices increasing the least. In addition, beer prices increased up to approximately 3.3 cents per twelve ounce can and 2 cents per twelve ounce bottle with no measurable increase along the border.

In the same period, April 1979 to ~~May~~^{March} 1980, Iowa border prices rose approximately 18 cents for both of the beverage packages.

Out of state border prices for the period April 1979 to ~~May~~^{March} 1980 had twelve ounce six pack can pop rise approximately 8 cents while sixteen ounce eight pack bottles rose approximately 18 cents. Out of state eight pack bottle prices dropped about 12 cents during the same period in contrast to all other beverage prices. Six pack can prices, however, rose about 20 cents in the out of state region.

If one assumes that Iowa pop prices would have reacted the same as out of state border prices without the deposit law, an estimate as to the rise in price due to the law can be made. Using this assumption the interior Iowa consumer is estimated to be paying 20 cents more for a six pack of can pop or about 3.3 cents per can and 20 cents more for an eight pack of bottle pop or 2.5 cents per bottle because of the deposit law. In contrast the consumer along Iowa's border is paying 10 cents more per six pack can pop or about 1.5 cents per can while paying no more for bottle pop. The out of state border prices were used in the estimation since close pricing before the law with Iowa and the trend afterwards showed a closer relationship with Iowa's beverage pricing than the out of state region did.

Beer prices reacted in much the same manner as pop prices in Iowa during the survey. As graphs three and four indicate, the price of twelve ounce six pack can and bottle beer rose abruptly in the interior Iowa region during the months just prior to the deposit law's implementation. The Iowa and out of state border regions both rose at the same rate with bottle beer prices rising the most in late 1979. Out of state beer prices rose at a steady rate throughout the survey.

If the out of state border region again is used as the expected price rise in Iowa without the deposit law, interior Iowa six pack can beer prices rose approximately 20 cents more than would have been expected (3.3 cents per can) and six pack bottle beer about 12 cents (2 cents per bottle) during the period from April 1979 to ~~May~~^{March} 1980. The Iowa border prices during the same period remained approximately the same as the out of state border region therefore showing no effect. The overall price change in the border regions was approximately 15 cents for six pack cans and 23 cents for six pack bottles compared to approximately 35 cents for both in the interior Iowa region.

Table 1
Price Per 8 Pack 16 oz. Bottle Pop
Regions

MONTH	Iowa Border	Out of State Border	Interior Iowa	Out of State
January 1979	1.581	1.621	1.581	—
February	1.573	1.614	1.547	1.775
March	1.508	1.633	1.592	1.911
April	1.581	1.553	1.519	1.789
May	1.582	1.561	1.654	1.866
June	1.599	1.669	1.710	1.744
July	1.659	1.730	1.842	1.744
August	1.606	1.593	1.792	1.563
September	1.571	1.634	1.805	1.631
October	1.613	1.571	1.763	—
November	1.632	1.667	1.838	1.786
December	1.685	1.785	1.834	1.607
January 1980	1.687	1.648	1.798	1.734
February	1.688	1.773	1.846	1.783
March	1.790	1.710	1.878	1.606

Table 2
Price Per 6 Pack 12 oz. Can Pop
Regions

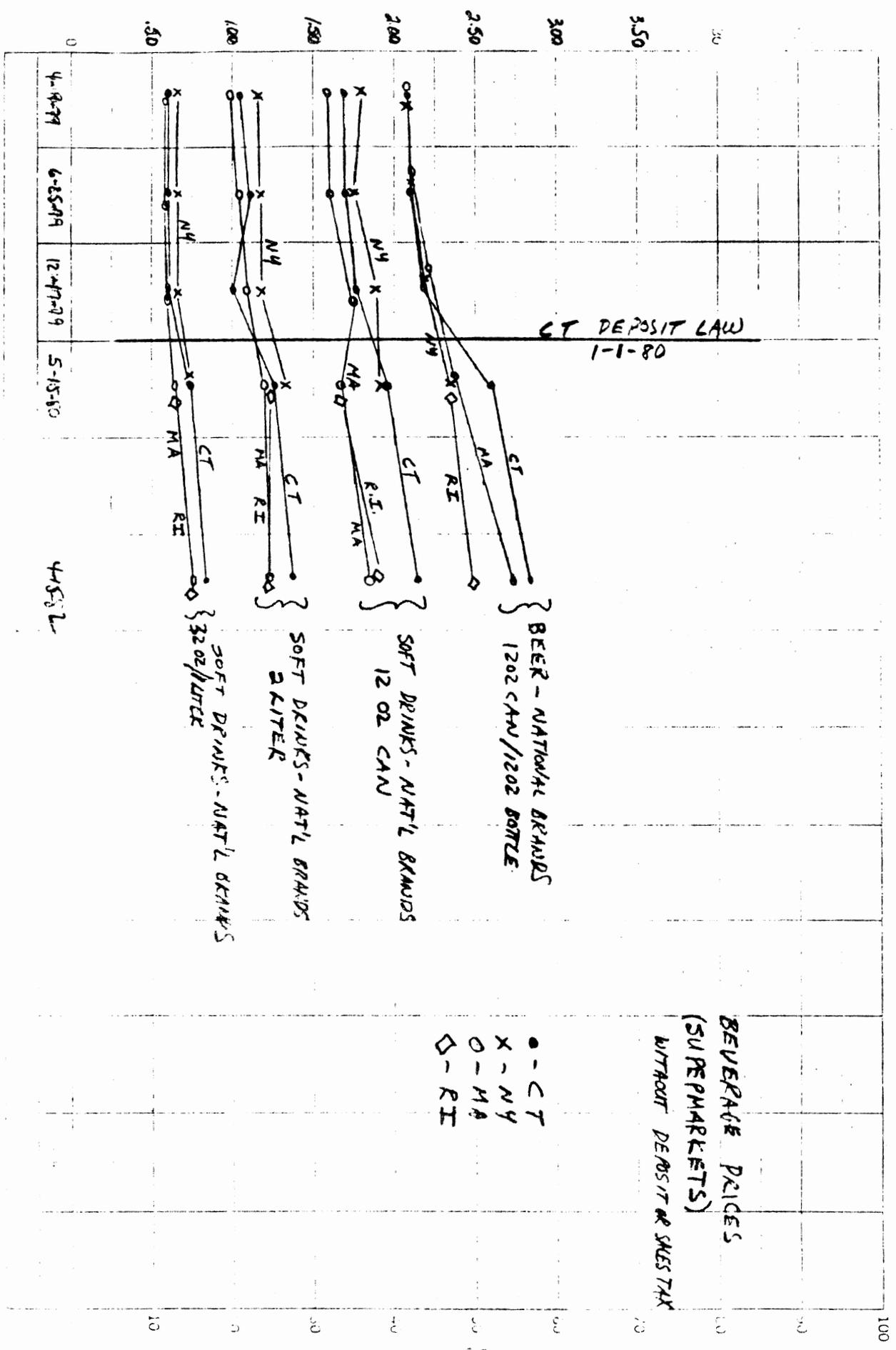
MONTH	Iowa Border	Out of State Border	Interior Iowa	Out of State
January 1979	1.687	1.740	1.755	—
February	1.611	1.641	1.746	1.816
March	1.667	1.742	1.731	1.843
April	1.744	1.668	1.716	1.817
May	1.766	1.639	1.754	1.830
June	1.739	1.708	1.830	1.809
July	1.808	1.802	1.900	1.745
August	1.766	1.564	1.908	1.716
September	1.752	1.592	1.937	1.928
October	1.870	1.636	1.941	—
November	1.792	1.681	1.947	1.918
December	1.740	1.641	1.945	1.923
January 1980	1.841	1.823	1.974	1.966
February	1.799	1.729	1.982	1.979
March	1.932	1.823	2.026	1.993

Table 3
Price Per 6 Pack 12 oz. Bottle Beer
Regions

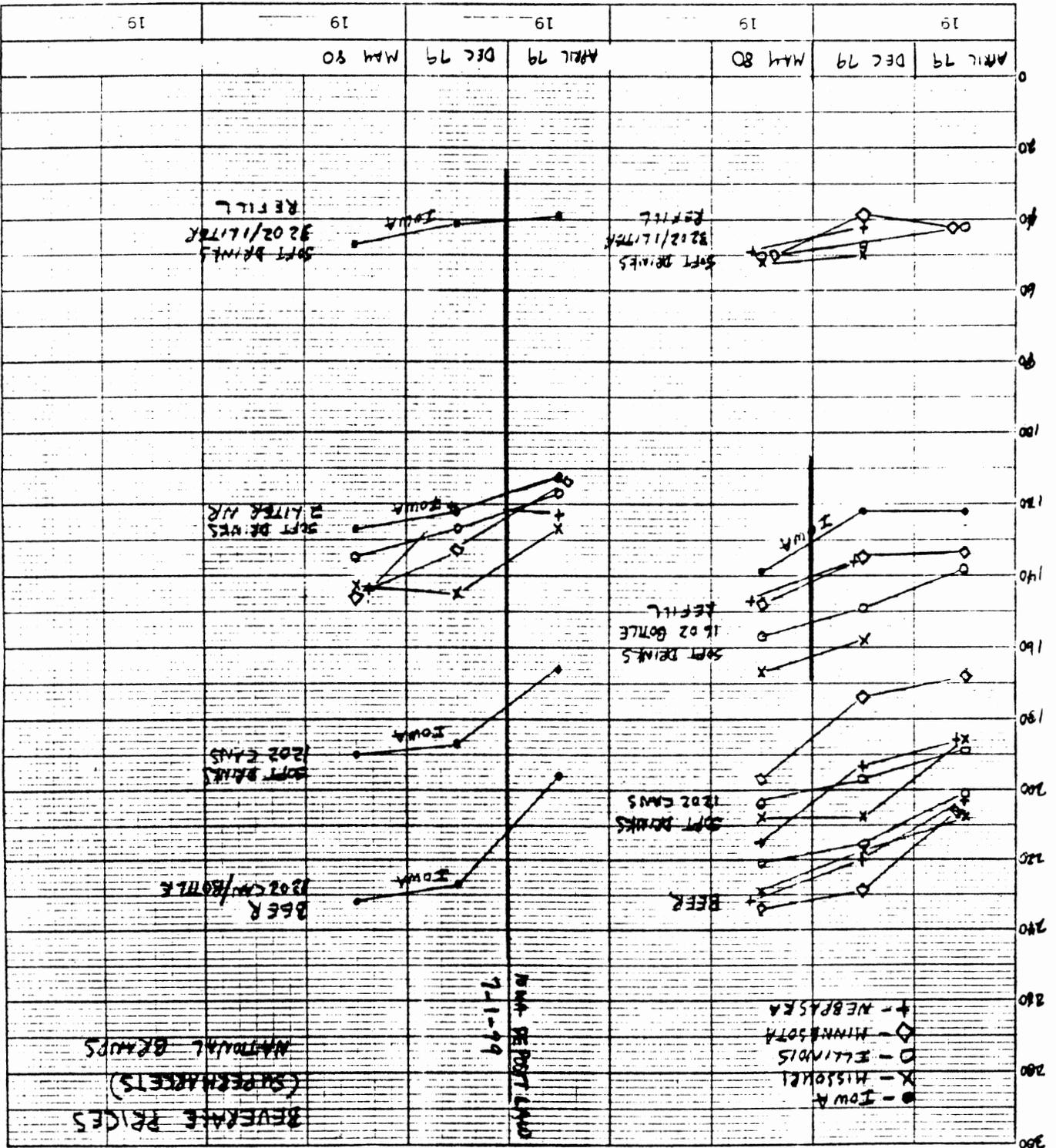
MONTH	Iowa Border	Out of State Border	Interior Iowa	Out of State
January 1979	1.918	1.908	1.885	—
February	1.871	1.946	1.873	2.070
March	2.016	—	1.924	2.012
April	2.037	1.981	2.000	2.080
May	2.003	1.985	1.955	2.050
June	1.945	1.975	1.982	2.068
July	2.060	2.024	2.081	2.040
August	1.920	2.054	2.250	2.136
September	2.049	1.950	2.236	2.051
October	1.890	2.043	2.238	—
November	2.094	1.900	2.265	2.285
December	1.994	2.210	2.258	2.159
January 1980	2.229	2.122	2.282	2.152
February	2.125	2.196	2.293	2.219
March	2.223	2.261	2.375	2.190

Table 4
Price Per 6 Pack 12 oz. Can Beer
Regions

MONTH	Iowa Border	Out of State Border	Interior Iowa	Out of State
January 1979	1.904	1.921	1.887	—
February	1.879	1.917	1.880	2.036
March	1.876	2.091	1.939	1.981
April	1.946	1.980	1.994	2.061
May	1.985	1.921	2.007	2.038
June	1.891	2.010	1.997	2.058
July	2.017	2.019	2.111	2.034
August	2.070	2.019	2.205	2.099
September	2.039	1.835	2.231	2.054
October	2.062	2.012	2.180	—
November	2.041	1.862	2.242	2.167
December	2.037	2.114	2.235	2.163
January 1980	2.191	2.013	2.278	2.131
February	2.149	2.133	2.296	2.226
March	2.208	2.128	2.350	2.183



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POSITION STATEMENT OF
THE PHILADELPHIA COCA-COLA BOTTLING COMPANY
D/B/A THE COCA-COLA BOTTLING COMPANY OF SOUTH JERSEY
RELEVANT TO BEVERAGE CONTAINER LEGISLATION

SUBMITTED BY:

JOHN P. KOLB, JR.
VICE PRESIDENT HUMAN RESOURCES
NORTHEAST OPERATION
THE PHILA. COCA-COLA BOTTLING COMPANY
ERIE AVENUE & "G" STREET
PHILADELPHIA, PA. 19134

THIS STATEMENT WILL EXPRESS OUR VIEWS RELATIVE TO THE INCREASING PROBLEMS OF LITTER, SOLID WASTE DISPOSAL, AND THE ENERGY CRUNCH.

SINCE ITS INCEPTION, THE SOFT DRINK INDUSTRY HAS BEEN USING RETURNABLE GLASS CONTAINERS AND I MIGHT ADD STILL DOES TODAY, BUT TO A MUCH LESSER EXTENT THAN IT DID 15 YEARS AGO. IT HAS MORE EXPERIENCE, MORE HISTORY, MORE FAMILIARITY, MORE EXPERTISE, AND MORE COMMITMENT TO THE RETURNABLE CONTAINER THAN ANY OTHER INDUSTRY IN THIS COUNTRY. THE SOFT DRINK INDUSTRY WAS BUILT --- PHYSICALLY CONSTRUCTED --- FOR THE RETURNABLE CONTAINER. OUR PLANTS -- EQUIPMENT -- SYSTEMS -- TRUCKS -- EVERYTHING -- WERE CONCEIVED AROUND A RETURNABLE CONTAINER. SO WERE OUR PRICES, COSTS, AND PROFITS. THE VERY FRANCHISE -- THE GEOGRAPHICAL LIMITS WITHIN WHICH MANY OF US ARE LICENSED TO MANUFACTURE AND SELL A BRAND PRODUCT, WAS LAID OUT WITHIN THE ECONOMICS OF DISTRIBUTING AND RETRIEVING A RETURNABLE GLASS BOTTLE. WE BELIEVE, THEREFORE, WE ARE PERHAPS THE MOST KNOWLEDGEABLE INDUSTRY TODAY IN THE REQUIREMENTS OF USING A RETURNABLE CONTAINER.

THERE IS A GREAT DEAL OF FICTION, MISUNDERSTANDING, AND JUST PLAIN WRONG INFORMATION CONCERNING ONE-TRIP AND RETURNABLE CONTAINERS, AND WHAT IS HAPPENING IN OUR INDUSTRY AND WHY.

FIRST, THERE IS A BASIC LACK OF UNDERSTANDING OVER THE MEANING OF "RETURNABLE". "RETURNABLE" EMBRACES MUCH MORE THAN A CONTAINER. WHILE IT INCLUDES A CONTAINER THAT IS HEAVIER, STRONGER, AND MORE EXPENSIVE -- BUILT TO ENDURE CONSTANT REUSE -- IT IS BASICALLY AN ENTIRE SYSTEM OF MANUFACTURE AND DISTRIBUTION. IT IS A DOUBLE HANDLING SYSTEM. TRUCKS LEAVE THE PLANT WITH EMPTY BAYS, THAT IS, LOADED TO LESS THAN CAPACITY, IN ORDER TO RECEIVE EMPTY BOTTLES. THAT INCREASES THE COST OF DELIVERY. DELIVERYMEN SPEND A GREAT DEAL OF TIME LOCATING, SORTING, AND LOADING EMPTIES. THAT EXTENDS THE TIME PER STOP AND INCREASES THE COST OF DELIVERY. ROUTES ARE SHORTER AND TRUCK EFFICIENCY IS RESTRICTED -- RAISING THE COST OF DELIVERY. IN AN ISSUE OF FORBES MAGAZINE, IT QUOTED THE COCA-COLA COMPANY AS REPORTING THAT THEY ARE USING 94 GALLONS OF GASOLINE TO DELIVER 1,000 CASES IN THE STATE OF OREGON, WHERE MANDATORY DEPOSITS ARE IN EFFECT, VERSUS 47 GALLONS IN THE NEIGHBORING STATE OF WASHINGTON). AT THE END OF THE DAY EMPTY BOTTLES MUST BE UNLOADED, SORTED, AND SANITIZED, INCREASING THE COST OF LABOR AND MANUFACTURE.

PLEASE UNDERSTAND THAT THIS IS DESIREABLE -- AND POSSIBLE -- ONLY IF THE NUMBER OF TRIPS EACH CONTAINER MAKES IS SUFFICIENT TO REDUCE THE COST OF THE PACKAGE TO WHERE THE INCREASED COSTS OF LABOR AND OVERHEAD -- CAUSED BY THIS DOUBLE HANDLING SYSTEM -- CAN BE ABSORBED. IF TRIPPAGE FALLS BELOW A SATISFACTORY LEVEL, THEN THE SYSTEM CRUMBLES. IN A STAFF STUDY DATED OCTOBER 1, 1975, BY THE UNITED STATES DEPARTMENT OF COMMERCE, IT WAS NOTED THAT IF RETURN RATES ARE LESS THAN 80% A NET INCREASE IN SOLID WASTE OCCURS. IN THOSE FEW STATES THAT HAVE MANDATORY DEPOSITS, ONLY THE STATE OF MAINE HAS A RETURN RATE OF BETTER THAN 80%. THE RETURN RATE IN OREGON AND VERMONT IS REPORTED AT 70%.

THE NON-RETURNABLE BOTTLE MADE ITS FIRST APPEARANCE IN THE PHILADELPHIA/SOUTH JERSEY AREA IN THE MID-SIXTIES. FOR A PERIOD OF

SEVERAL YEARS AFTER THAT THE CONSUMER HAD FREEDOM OF CHOICE IN THEIR FAVORITE SUPERMARKET. A COMBINATION OF FACTORS, NAMELY (1) THEIR OBVIOUS PREFERENCE FOR THE LIGHTER WEIGHT, AND MORE STRRACTIVE NON-RETURNABLE PACKAGE, AND (2) THE SUPERMARKETS DECISION TO ALLOCATE MORE AND MORE SPACE TO THIS NEW PACKAGE INNOVATION DUE TO CONSUMER DEMAND AND THEIR OWN MERCHANDISING POLICIES ULTIMATELY LED TO THE COMPLETE DEMISE OF THE RETURNABLE BOTTLE IN THE SUPERMARKET IN THE LATE 1960's. AT THIS POINT IN TIME, TRIPPAGE IN THE PHILADELPHIA/SOUTH JERSEY AREA HAD DROPPED TO FIVE VERSUS 24 TO 30 TRIPS EXPERIENCED 25 YEARS AGO. A TRIPPAGE OF FIVE MEANS THE AVERAGE BOTTLE IS LOST ON THE SIXTH TRIP, SO FIVE RETURNS OUT OF SIX TRIPS IS JUST AT THE 80% RETURN RATE I MENTIONED EARLIER.

THIS BRINGS US TO THE SECOND SUBJECT OF SOME GENERAL MISUNDERSTANDING -- WHY RETURNABLE CONTAINER TRIPPAGE DROPPED SO DRAMATICALLY. THERE IS A BELIEF THAT BOTTLERS FORCED ONE-TRIP CONTAINERS ON THE CONSUMING PUBLIC AT GREATER EXPENSE BECAUSE OF GREATER PROFIT OR SOME OTHER ADVANTAGE TO THE BOTTLER. THIS CONCEPT IS NOT CORRECT. TRIPPAGE BEGAN DECLINING BEFORE THE ADVENT OF ONE-WAY PACKAGING. AS OUR SOCIETY HAS BECOME MORE AFFLUENT, THE VALUE OF THE DEPOSIT HAS BECOME LESS AND LESS OF AN INCENTIVE TO STORE THE CONTAINER IN THE HOME AND RETURN IT TO THE MARKET.

IN PHILADELPHIA/SOUTH JERSEY, ONE-WAY SALES HAVE GROWN FROM NOTHING TO APPROXIMATELY 93% OF OUR VOLUME SINCE THE EARLY SIXTIES. THIS PACKAGING CONCEPT IS FIRMLY ENTRENCHED THROUGHOUT THE COMMUNITY AND AS WITH OTHER COMMODITIES FORMERLY IN RETURNABLES, SUCH AS MILK AND BEER, WE DO NOT BELIEVE OUR CONSUMERS WILL NOW GIVE UP THE CONVENIENCE AFFORDED BY THESE CONTAINERS. THIS IS BORNE OUT BY THE FACT THAT MANDATORY DEPOSIT LEGISLATION HAS NOT ENTIRELY ELLIMINATED THE NON-RETURNABLE BOTTLE AND THE CAN FROM THE SUPERMARKET SHELVES IN OREGON

AND VERMONT. IF THE CONSUMER WANTS THE CONVENIENCE OF A ONE-TRIP CONTAINER, AND MANY STILL DO, IN THOSE STATES, THEY PLUNK DOWN THE MANDATORY DEPOSIT AND STILL THROW THE BOTTLE OR CAN IN THE TRASH OR ALONG THE HIGHWAY. FURTHERMORE, THE RETURN RATE IN THOSE STATES IS POSITIVE PROOF THAT MANY RETURNABLE BOTTLES ARE SUBJECT TO THE SAME FATE.

WHAT WOULD BE THE IMPACT OF THIS BILL ON THE BOTTLER IN THE PHILADELPHIA/SOUTH JERSEY AREA? THERE IS NO QUESTION IN MY MIND THAT WE WOULD SUFFER SUBSTANTIALLY. SOME OF US WOULD BE FORCED OUT OF THE BUSINESS. WITHIN TWO YEARS OF THE EFFECTIVE DATE OF THE OREGON BOTTLE BILL, NINE OF THE TWENTY-NINE FRANCHISED BOTTLERS IN THAT STATE HAD BEEN FORCED TO SELL OUT. THOSE REMAINING WILL BE REQUIRED TO INVEST MILLIONS IN ADDITIONAL BOTTLING EQUIPMENT, BUILDINGS, AND TRUCKS. BOTTLING EQUIPMENT TO HANDLE AND CLEAN THE RETURNABLE BOTTLE, ADDITIONAL BUILDINGS TO ACCUMULATE THE RETURNABLE BOTTLES, AND ASSUMING NO LOSS IN BUSINESS (A VERY OPTIMISTIC ASSUMPTION) TWICE AS MANY SOFT DRINK TRUCKS ON THE ALREADY OVERCROWDED STREETS IN THE PHILADELPHIA/SOUTH JERSEY AREA.

THE BOTTLERS OF NATIONAL BRANDS WOULD PROBABLY FARE BETTER THAN THE INDEPENDENT BOTTLERS. PRIVATE LABEL BRANDS AND SOFT DRINKS BOTTLED OUTSIDE OF THE AREA AND SHIPPED IN WOULD PROBABLY BE SEVERELY RESTRICTED IN THEIR AVAILABILITY. COMPETITION IN THE QUEST FOR THE CONSUMERS DOLLAR WOULD, THEREFORE, BE SOMEWHAT REDUCED.

AS WE UNDERSTAND IT, ONE OF THE PRIMARY PURPOSES OF THIS BILL IS TO REDUCE LITTER, SO NOW LET'S ADDRESS OURSELVES TO THIS PROBLEM. I THINK THE FIRST QUESTION WE NEED TO ASK OURSELVES IS EXACTLY HOW MUCH OF LITTER IS COMPOSED OF THE PRODUCTS WHICH A MANDATORY DEPOSIT BILL COVERS; NAMELY, BEER AND SOFT DRINK CONTAINERS? WELL, IT SEEMS THAT THERE ARE A LOT OF ANSWERS TO THAT QUESTION. ACCORDING TO A

STUDY MADE BY THE INSTITUTE FOR APPLIED RESEARCH IN OCTOBER OF 1978, BEVERAGE CONTAINERS AND TOPS MAKE UP ONLY 5% OF URBAN STREET LITTER AND 16% OF RURAL HIGHWAY LITTER BASED ON ITEM COUNTS. THE SAME GROUP DID A STUDY ON THE COMPOSITION OF MICHIGAN LITTER BEFORE THE DEPOSIT LAW IN THAT STATE WENT INTO EFFECT. THIS STUDY, WHICH WAS COMMISSIONED BY THE STATE OF MICHIGAN, INDICATED THAT BEVERAGE BOTTLES AND CANS CONSTITUTED ONLY 12.2% OF VISUAL ROADSIDE LITTER. ACCORDING TO THE HUMAN RESOURCES INSTITUTE, LITTER IS COMPOSED OF ABOUT 150 DIFFERENT ITEMS. APPROXIMATELY 20% OF IT IS MADE UP OF BEER AND SOFT DRINK CONTAINERS.

THERE ARE SOME STUDIES WHICH SHOW THE BEER AND SOFT DRINK SHARE OF LITTER TO BE SOMEWHAT HIGHER THAN THOSE FIGURES THAT I HAVE QUOTED. BUT THE POINT WE ARE TRYING TO MAKE IS THAT NOBODY SERIOUSLY CONTENTS THAT BEER AND SOFT DRINK CONTAINERS MAKE UP THE MAJORITY OF ROADSIDE LITTER. I THINK IT IS ALSO A MATTER OF SIMPLE COMMON SENSE TO POINT OUT THAT AN EMPTY ALCOHOLIC BEVERAGE CONTAINER IS NOT GOING TO BE RETAINED IN AN AUTOMOBILE BY THE DRIVER NO MATTER WHAT DEPOSIT IS PUT ON IT.

SO THE FIRST POINT WE WOULD LIKE TO MAKE ABOUT LITTER IS THAT BEVERAGE CONTAINERS DON'T COMPRISE A VERY LARGE SHARE OF IT. ALSO, IF LITTER IS THE MAIN OBJECTIVE OF THIS LAW, THEN I WONDER WHY THE LARGE SIZE CONTAINERS ARE INCLUDED IN THE BILL. APPARENTLY THROUGH OVERSIGHT, THE TWO-LITER BOTTLE SHOULD BE EXEMPTED FROM THIS BILL, BUT ASIDE FROM THAT HOW MANY OF US HAVE SEEN A MOTORIST DRIVING DOWN THE ROAD DRINKING OUT OF A HALF GALLON BOTTLE.

LET'S DIRECT OUR ATTENTION FOR A MOMENT TO THE EFFECTIVENESS THAT A MANDATORY DEPOSIT BILL HAS IN REDUCING LITTER. IN OREGON, A STUDY DONE BY APPLIED DECISIONS SYSTEMS, THAT WAS PAID FOR BY STATE MONEY, SHOWED THAT DURING THE FIRST YEAR OF THE LAWS IMPLEMENTATION,

TOTAL LITTER WAS REDUCED ONLY 10/6%. THE STATE OF WASHINGTON, WHICH BOARDERS OREGON, HAS ADOPTED A DIFFERENT AND MORE INNOVATIVE APPROACH TO LITTER. THE INSTITUTE FOR APPLIED RESEARCH HAS DETERMINED THAT WASHINGTON HAS 52% LESS ACCUMULATED LITTER THAN OREGON IN URBAN AREAS AND 17% LESS ACCUMULATED LITTER IN RURAL AREAS.

I WOULD NOW LIKE TO TURN TO THE EFFECT THAT THIS BILL WILL HAVE ON ENERGY CONSUMPTION IN THE PHILADELPHIA/SOUTH JERSEY AREA. SUPPORTERS OF THE MEASURE CLAIM THAT IT SAVES MONEY. I HAVE READ STATEMENTS WHERE THEY SAY THINGS LIKE, "A BOTTLE BILL WILL SAVE A CERTAIN NUMBER OF BTU'S OF ENERGY WHICH WOULD BE ENOUGH TO DRIVE 8,000 CARS IN THE STATE OF MONTANA FOR ONE YEAR". NOW THERE ARE A COUPLE OF FLAWS IN THAT STATEMENT THAT I WOULD LIKE TO POINT OUT TO THE COMMITTEE. IT IS TRUE THAT A BOTTLE BILL SAVES A CERTAIN AMOUNT OF ENERGY IN ONE PART OF OUR INDUSTRY BY REDUCING THE AMOUNT OF CONTAINERS THAT ARE MANUFACTURED. AT THE SAME TIME, IT ACTUALLY WASTES ENERGY IN OTHER PARTS OF THE INDUSTRY. THE KEY AND CRITICAL POINT FOR US IS TO EXAMINE THE KINDS OF ENERGY INVOLVED. MOST CONTAINER MANUFACTURING IN THIS COUNTRY IS EITHER DONE BY COAL FIRED PLANTS OR BY PLANTS WHICH COULD BE CONVERTED TO COAL IF THE NECESSITY AROSE. HOWEVER, A BOTTLE BILL BURNS MORE GASOLINE, AND THAT IS A FACT THAT CANNOT BE DISPUTED. EARLIER IN THIS STATEMENT I REFERRED TO THE EXPERIENCE OF THE COCA-COLA COMPANY IN WASHINGTON AND OREGON IN THE CONSUMPTION OF GASOLINE, BUT THE EVIDENCE DOES NOT STOP THERE. ACCORDING TO FIGURES COMPILED BY THE CAN MANUFACTURERS INSTITUTE, THE AMOUNT OF FUEL REQUIRED TO DELIVER 1,000 CASES OF BEER IN MICHIGAN HAS RISEN FROM 83 GALLONS TO 104 GALLONS SINCE THE ENACTMENT OF THE DEPOSIT LAW. IN THE CASE OF SOFT DRINKS, THE FUEL REQUIRED HAS RISEN FROM 75 GALLONS PER 1,000 CASES TO 99 GALLONS PER 1,000 CASES -- AN INCREASE OF 32%. A SIMPLE ANALOGY WILL EXPLAIN WHY THIS IS TRUE. IT TAKES A ROUTE SALESMAN LONGER TO PICK UP AN EMPTY CASE THAN IT DOES

TO SELL A FULL CASE, THEREFORE, HE IS ONLY ABLE TO SELL ONE HALF AS MANY CASES IN A DAY'S TIME. IT FOLLOWS LOGICALLY THEN THAT IT IS GOING TO TAKE TWICE AS MANY TRUCKS ON THE STREET TO SELL THE SAME AMOUNT OF PRODUCT. ACTUAL EXPERIENCE SINCE THE LATE SIXTIES IN THE PHILADELPHIA/SOUTH JERSEY MARKET SHOWS THE ROUTE SALESMAN SELLING TWICE AS MANY CASES IN A DAY THAN HE DID IN THE EARLY SIXTIES WHEN WE WERE A RETURNABLE BOTTLE BUSINESS.

NEXT, I WOULD LIKE TO ADDRESS YOUR ATTENTION TO THE STATEMENT MADE BY ADVOCATES OF "BOTTLE BILLS" THAT SOFT DRINKS WOULD BE CHEAPER IN THIS NEW WORLD CREATED BY MANDATORY DEPOSIT LEGISLATION. I THINK THE BEST RESPONSE I HAVE EVER HEARD TO THAT WAS GIVEN IN TESTIMONY BEFORE A NATIONAL CONGRESSIONAL COMMITTEE BY MR. SIDNEY MUDD, A SEVEN-UP BOTTLER FROM NEW YORK, WHO WAS TESTIFYING ON BEHALF OF THE NATIONAL SOFT DRINK ASSOCIATION. HE STATED SUCH A BILL WOULD CAUSE PRICES TO GO UP, NOT DOWN. WHEN ASKED WHY, MR. MUDD RESPONDED AND I QUOTE, "HOW CAN ANYONE ARGUE THAT INDUSTRY CAN SPEND FIVE BILLION DOLLARS IN CONVERSION COSTS WITH ZERO INCREASE IN PRODUCTIVITY - THEREAFTER PRODUCT LESS PER MAN HOUR ON EVERY PRODUCT LINE, USE MORE WAREHOUSE SPACE, EMPLOY MORE TRANSPORTATION AND SERVICE SALES MANPOWER, USE MORE VEHICLES AND MORE FUEL TO DELIVER THE SAME AMOUNT OF PRODUCT WITHOUT AN INCREASE IN CONSUMER PRICES?" MR. MUDD WAS QUITE CONSERVATIVE WHEN HE REFERRED TO A ZERO INCREASE IN PRODUCTIVITY. SINCE THE EARLY SIXTIES PRODUCTIVITY IN THIS OPERATION HERE IN PHILADELPHIA AND SOUTH JERSEY HAS INCREASED NEARLY 45% WITH THE LIONS SHARE OF THAT INCREASE DIRECTLY ATTRIBUTABLE TO EFFICIENCIES GAINED IN THE CONVERSION TO A ONE-WAY MARKET. MR. MUDD WAS ALSO VERY OPTIMISTIC WHEN HE ASSUMED IN HIS REMARKS THAT WE WOULD DELIVER THE SAME AMOUNT OF PRODUCT IN THIS NEW WORLD OF "DEPOSITS". IN A REPORT ON THE OREGON BILL IT WAS LEARNED THAT SALES OF PRIVATE LABEL BRANDS AND WAREHOUSE SOFT DRINKS DROPPED

40%. GENERALLY SPEAKING THESE ARE THE LOWEST PRICED BRANDS AVAILABLE TO THE CONSUMER. IN A STUDY FUNDED BY THE CAN MANUFACTURERS INSTITUTE AND THE GLASS PACKAGING INSTITUTE, ALL PRICES FOR BEER AND SOFT DRINKS WERE FOUND TO BE HIGHER IN MICHIGAN AND OREGON THAN IN NEIGHBORING NON-DEPOSIT STATES. A SURVEY TAKEN BY THE MICHIGAN FOOD DEALERS ASSOCIATION SHOWED THAT PRICES ON NATIONAL BEER BRANDS INCREASED 13%, LOCAL BEER BRANDS 12.5%, AND SOFT DRINKS INCREASED ABOUT 7% DURING THIS RELATIVELY SHORT TWO MONTH PERIOD.

NO DISCUSSION ON THIS TOPIC WOULD BE COMPLETE WITHOUT SOME REFERENCE TO THE EFFECT THAT THIS BILL WILL HAVE ON SANITATION IN OUR OWN PLANTS, IN THE MANY OUTLETS THAT SELL OUR PRODUCTS TO THE CONSUMER, AND EVEN IN THE HOME. LET'S FACE IT, THE BOTTLE RETURNED TO THE STORE AND ULTIMATELY TO OUR PLANTS IS A DIRTY BOTTLE (VERY FEW CONSUMERS WILL TAKE THE TIME TO RINSE THEM OUT). DIRTY BOTTLES WHEN ACCUMULATED ARE A SANITATION PROBLEM. THEY ATTRACT INSECTS, RODENTS, AND OTHER VERMIN. SIMPLY STATED, IN THE NEW WORLD CREATED BY A "DEPOSIT BILL" IT WOULD BE IMPOSSIBLE FOR OUR INDUSTRY TO MAINTAIN THE HIGH LEVELS OF SANITATION IN OUR PLANTS THAT WE ENJOY TODAY.

FINALLY, AND TO SUMMARIZE OUR VIEWS, WE SEE NO VALUE IN A PIECE OF LEGISLATION DIRECTED AGAINST OUR INDUSTRY WHICH WILL:

1) HAVE A VERY MINIMUM IMPACT ON THE LITTER PROBLEM IT IS SUPPOSEDLY DESIGNED TO SOLVE, WHILE ON THE OTHER IT WILL:

A) PROBABLY REQUIRE MORE ENERGY, ESPECIALLY IN THOSE FORMS OF ENERGY IN SHORTEST SUPPLY; NAMELY GASOLINE AND FUEL OIL,

B) ASSUMING A RETURN RATE OF LESS THAN 80% ACTUALLY ADD TO THE SOLID WASTE PROBLEM.

C) INCREASE THE COST OF OUR PRODUCTS TO THE CONSUMER, AND FINALLY,

D) CREATE A SUBSTANTIAL SANITATION PROBLEM FOR THE BOTTLER IN HIS PLANT, THE STORE OWNER IN HIS STORE, AND TO A LESSER EXTENT,

THE CONSUMER IN HIS OR HER HOME.

WHEN YOU FIRST EXAMINE A BOTTLE BILL IT MAY SOUND LIKE A GOOD IDEA AND I HAVE NO DOUBT THAT THE PEOPLE WHO SUPPORT IT ARE WELL-INTENTIONED. BUT, I SINCERELY AND HONESTLY BELIEVE THAT IT IS ANOTHER EXAMPLE OF AN EXPENSIVE AND INEFFICIENT WAY TO HANDLE A PROBLEM THAT COULD BE ADDRESSED A LOT MORE CONSTRUCTIVELY.

THANK YOU.



Glass
Packaging
Institute

2000 L STREET, N.W., SUITE 815
WASHINGTON, D.C. 20036
(202) 872-1280

September 24, 1982

Honorable Maureen Ogden
Assemblywoman, District 22
266 Essex Street
Millburn, New Jersey 07041

Dear Assemblywoman Ogden:

On behalf of our member companies in New Jersey, the Glass Packaging Institute has been asked to formulate a response to your questionnaire of July 30th. Enclosed, please find responses to most of your questions. Unfortunately we do not have the specific data from all of our member companies to respond in full to questions 1 and 2. Also, as we only represent the glass container interest of our members we do not have the information relative to questions 9 and 10.

Responses to Questions:

#3 All of our member who have plants in New Jersey as well as other states have indicated that their New Jersey plant is one of the highest cost producing plants in their system. Anchor Hocking stated that it is more costly to produce glass containers in their Salem, New Jersey plant than in any other plant. With this in mind, most companies have not expanded production in New Jersey and most have shown a decline in production.

#4 Total employment figures for our member companies has declined over the past ten years and the portion of employees dealing with beverage containers has declined in a similar fashion. For example, attached, please find the employment figures for New Jersey for November, 1981 and those for August, 1982.

#5 In the past five years Owens-Illinois and Brockway have each opened a new glass facility in Virginia and Kerr Glass opened a plant at Wilson, North Carolina. Each opening was coupled with a new brewery opening in the immediate area.

As population increases in the south, it is conceivable that users of glass containers will base more of their operations there and in turn our companies would consider plant operation to most efficiently serve those glass users. It can be assumed that any new general line glass container operation will produce glass beverage containers.

Page 2
Assemblywoman Ogden
September 24, 1982

#6 During the past five year period, three glass container companies closed plants in New Jersey. Most recent was the Owens-Illinois closing of their North Bergen facility in March, 1982. Ball Corporation closed their Jersey City plant in November, 1981 and Gayner Glass which was sold to National Bottle and located in Salem, closed in the late '70's. The employment in October, 1981 for the North Bergen facility was 652, including hourly and salaried and 400 in the Ball plant. Two hundred of the 400 at the Ball Jersey City facility were transferred to the Carteret plant. We do not have the employment figure for the National Bottle plant, but each plant did produce a percentage of glass containers.

#7 None of our member companies have opened any new glass plants in New Jersey in the past five years.

#8 The future of the glass industry in New Jersey is not clear. With enactment of forced deposit legislation in New York, none of our member companies could conceive of expanding production in New Jersey. On the other hand, the impact of the New York State law could very well result in reducing the demand for glass containers, generally, and might force some companies to curtail or close operation in New Jersey.

#11 The percentage of cullet to a batch on any given furnace does vary based on the quantity of clean, usable cullet available. Over the past ten years, 15-35% of our glass has been made from cullet with the percentage increasing yearly. Attached please find a recent memo from our Director of Recycling showing a 23.3% increase in cullet useage from 1980-81 for our seven New Jersey companies.

The Glass Packaging Institute believes that glass containers can be manufactured with cullet content in excess of 60% and with experience that figure could increase.

I hope this information will be helpful to you in your fact finding efforts. I urge you on behalf of our member companies and their employees in New Jersey to reject mandatory deposit legislation, in any form, and to work with us to make the New Jersey Recycling law work.

Sincerely,



Sylvia E. Swanson
Regional Legislative Director
Eastern Region

SES/vfg

Attachments (3)

198x



2000 L St., NW
Washington, DC 20036
(202) 872-1200

ECONOMIC PROFILE
OF THE GLASS CONTAINER INDUSTRY

STATE
&
COMPANY

PLANT
LOCATIONS

TOTAL NUMBER
OF EMPLOYEES

TOTAL
PAYROLL

TOTAL TAXES
STATE LOCAL

NEW JERSEY

Anchor Hocking

Salem

923

16,715,460

522,000

194,000

Ball Corporation

Carteret
Jersey City

420

8,591,900

177,800

400

8,696,000

182,200

Brockway Glass

Freehold

722

12,700,000

601,027

409,392

Kerr Glass

Millville

1,030

20,079,000

890,000

311,000

(Leone Industries)

Bridgeton

--

--

--

Midland Glass

Cliffwood

507

13,500,000

400,000

150,000

Owens-Illinois

Bridgeton
Millville-Sand Plt.
North Bergen

963

21,254,023

16

296,155

652

14,431,414

Thatcher Glass

Wharton

842

15,552,000

N/A

611,000

(Wheaton Industries)

Millville

2,200

40,000,000

2,500,000 (combined)

STATE TOTAL

8,675

\$ 186,060,033

() = Non-GPI Members

199x

<u>State And Company</u>	<u>Plant Locations</u>	<u>Total Number Of Employees</u>	<u>Total Payroll</u>	<u>Total Taxes</u> <u>State Local</u>	
<u>NEW JERSEY</u>					
Anchor Hocking	Salem	746	\$ 20,323,397	\$463,000	\$153,000
Ball Corporation	Carteret	550	9,957,000	262,000	
Brockway, Inc.	Freehold	737	13,706,440	393,000	338,000
Kerr Glass	Millville	1,030	22,530,855	979,000	342,000
200X (Leone Industries)	Bridgeton	-	-	-	-
Midland Glass	Cliffwood	597	14,840,000	400,000	150,000
Owens-Illinois, Inc.	Brigeton	850	19,744,897		
	Millville-Sand Plant	16	322,466	-	-
Thatcher Glass	Wharton	831	16,425,000	N/A	708,000
(Wheaton Industries)	Millville	<u>2,200</u>	<u>40,000,000</u>		
	<u>STATE TOTAL</u>	<u>7,557</u>	<u>\$ 157,850,055</u>	<u>\$ 4,188,000</u>	





**Glass
Packaging
Institute**

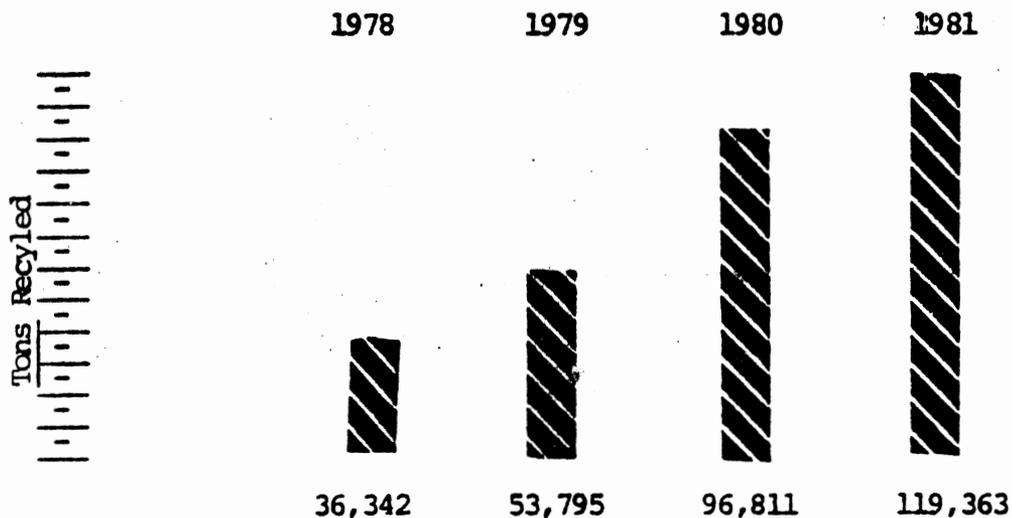
2000 L STREET, N.W., SUITE 815
WASHINGTON, D.C. 20036
(202) 872-1280

MEMORANDUM

TO : New Jersey Recycling Forum
FROM : E. Gifford Stack EGS
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.