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PUBLIC HEARING

before

ASSEMBLY WASTE MANAGEMENT, PLANNING AND RECYCLING COMMITTEE  
ASSEMBLY BILL Nos. 90, 281, 1024, 2201, 2714, 3120, and 3523  
(Bills regarding beverage container regulation)

September 23, 1991  
9:45 a.m.  
Room 112 - Committee Room 9  
Legislative Office Building  
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Henry A. McEnroe, Chairman  
Assemblyman Thomas J. Duch  
Assemblyman Robert D. Franks  
Assemblyman Robert C. Shinn, Jr.

ALSO PRESENT:

Algis P. Matioska  
Leonard J. Colner  
Office of Legislative Services  
Aides, Assembly Waste Management,  
Planning and Recycling Committee

\* \* \* \* \*

Hearing Recorded and Transcribed by  
Office of Legislative Services  
Public Information Office  
Hearing Unit  
162 West State Street  
CN 068  
Trenton, New Jersey 08625





HARRY A. McENROE  
CHAIRMAN  
DANIEL P. JACOBSON  
VICE-CHAIRMAN  
THOMAS J. DUCH  
ROBERT D. FRANKS  
ROBERT C. SHINN, JR.

**New Jersey State Legislature**  
**ASSEMBLY WASTE MANAGEMENT,**  
**PLANNING AND RECYCLING COMMITTEE**  
STATE HOUSE ANNEX, CN-068  
TRENTON, NEW JERSEY 08625-0068  
(609) 292-7676

## NOTICE OF PUBLIC HEARING

The Assembly Waste Management, Planning and Recycling Committee will hold a public hearing on the following legislation:

- |                           |   |
|---------------------------|---|
| A-90<br>Albohn            | Provides for the regulation of beverage containers, requires certain containers to have refund values.  |
| A-281<br>Shinn            | Imposes fees on certain containers.   |
| A-1024<br>Kronick         | Provides for nonbinding referendum on whether Legislature should enact legislation providing for a Statewide deposit and refund system for beverage containers. |
| A-2201<br>Spadaro         | Establishes a deposit on beverage containers sold in this State.  |
| A-2714<br>Martin          | Establishes a deposit on beverage containers sold in this State.  |
| A-3120<br>Duch/Gill       | Establishes a deposit on beverage containers sold in this State.  |
| A-3523<br>Bryant/Mattison | Establishes a deposit on beverage containers sold in this State.  |

The hearing will be held on Monday, September 23, 1991 at 9:00 a.m. in Room 112 (Committee Room 9), of the Legislative Office Building, 135 West Hanover Street, Trenton, New Jersey.

*The public may address comments and questions to Algis P. Matioska or Leonard J. Colner, Committee Aides, and persons wishing to testify should contact their secretary, Kathleen Espieg, at (609) 292-7676. Those persons presenting written testimony should provide 10 copies to the committee on the day of the hearing.*

Issued 9/9/91



ASSEMBLY, No. 90

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Assemblyman ALBOHN

1 AN ACT concerning beverage containers and supplementing Title  
2 13 of the Revised Statutes.

3

4 BE IT ENACTED by the Senate and General Assembly of the  
5 State of New Jersey:

6 1. The Legislature finds that the disposal of nonreturnable  
7 beverage containers after a single use violates fundamental  
8 precepts of environmental protection; that these containers  
9 constitute a significant portion of the solid waste stream,  
10 burdening already limited landfill capacity; that these containers,  
11 when carelessly discarded, contribute to a litter problem of  
12 growing proportions, the control of which is straining municipal  
13 budgets; and that the recycling and reuse of these containers can  
14 constitute an energy and raw material conservation effort of  
15 significant value.

16 The Legislature therefore determines that a program to  
17 encourage the return and reuse of beverage containers, by easing  
18 environmental burdens and promoting energy conservation, would  
19 be in the public interest.

20 2. As used in this act:

21 a. "Beverage" means beer or other malt beverages and  
22 mineral water, soda water, and similar nonalcoholic carbonated  
23 drinks in liquid form and intended for human consumption;

24 b. "Beverage container" means an individual, separate bottle  
25 or can having a capacity of not more than four liters composed  
26 of glass, metal, plastic, or any combination thereof, containing a  
27 beverage, and which has been identified by a label, stamp, or  
28 other mark pursuant to section 5 of this act;

29 c. "Consumer" means a person who purchases a beverage in a  
30 beverage container;

31 d. "Dealer" means a person who engages in the sale of  
32 beverage containers at retail to consumers;

33 e. "Degradable" means capable of disintegrating into  
34 fragments that are smaller than the original size of the beverage  
35 container, or into particles having a molecular weight that is  
36 lower than the weight of the original container material by  
37 naturally occurring biological or physical processes in the  
38 environment within a period of three years after manufacture;

39 f. "Department" means the Department of Environmental  
40 Protection;

41 g. "Distributor" means a person who sells beverage containers

1 at wholesale to dealers in this State, including any manufacturer  
2 who engages in such sales:

3 h. "Manufacturer" means a person bottling, canning or filling  
4 beverage containers for sale to distributors or dealers:

5 i. "Recycling" means the process of sorting, cleansing,  
6 treating and reconstituting waste and other discarded materials  
7 for the purpose of reusing the materials;

8 j. "Redemption center" means a place or a business which  
9 accepts empty beverage containers for recycling and pays the  
10 refund value of beverage containers.

11 3. Every beverage container sold or offered for sale in this  
12 State has a refund value when empty. Any beverage container  
13 made exclusively of recyclable aluminum, or of glass having a  
14 quality, thickness and physical strength which would permit the  
15 container to be washed, refilled and reused, has a refund value as  
16 follows:

17 a. For each nonrefillable container:

18 \$0.10 for a container with a capacity of  $\frac{1}{2}$  liter or less; \$0.15  
19 for a container with a capacity of more than  $\frac{1}{2}$  liter but no more  
20 than one liter; \$0.20 for a container with a capacity of more than  
21 one liter but no more than four liters.

22 b. For each refillable container:

23 \$0.05 for a container with a capacity of  $\frac{1}{2}$  liter or less; \$0.10  
24 for a container with a capacity of more than  $\frac{1}{2}$  liter but no more  
25 than one liter; \$0.15 for a container with a capacity of more than  
26 one liter but no more than four liters.

27 4. a. Every dealer shall accept every empty beverage  
28 containers of the kind, size, and brand he sells or offers for sale  
29 that is returned, and pay the bearer the refund value thereof as  
30 established in section 3 of this act for each beverage container;

31 b. Every manufacturer and distributor shall accept every  
32 empty beverage container of the kind, size, and brand he  
33 distributes manufactures, as the case may be returned by any  
34 dealer and pay the dealer the refund value established in section  
35 3 of this act, plus a 10% handling charge for each beverage  
36 container for the year following the effective date of this act,  
37 and a handling charge of 5% thereafter.

38 5. Every beverage container sold or offered for sale in this  
39 State by a dealer shall be clearly identified by a stamp, label, or  
40 other mark securely affixed to the beverage container, bearing  
41 the inscription "New Jersey" and indicating the refund value of  
42 the beverage container.

43 6. No beverage shall be sold or offered for sale in this State in  
44 a metal container designed and constructed so that part of the  
45 container is detachable, or in containers connected to each other  
46 by plastic rings or similar devices which are not degradable.

47 7. a. Every dealer shall, upon presentation of an empty  
48 beverage container, refund to the bearer the refund value of the

1 beverage container. No dealer shall refuse to accept at his place  
2 of business an empty beverage container from a person, or refuse  
3 to pay to a person the refund value of an empty beverage  
4 container, unless the dealer sponsors, solely or with others, or  
5 there is established by others, a redemption center which is  
6 located within a one-half mile radius of his place of business and  
7 which accepts for refund beverage containers of the kind, size  
8 and brand sold by the dealer.

9 b. A dealer is not required to accept or pay the refund value of  
10 an empty beverage container other than those of the kind, size,  
11 and brand he sells or offers for sale nor is a dealer required to  
12 accept or pay the refund value of an empty beverage container  
13 which is damaged, unclean, or which is, in his opinion, in a  
14 condition as to threaten the public health and safety.

15 c. Every dealer may designate a specific area of his place of  
16 business to which empty beverage containers shall be brought.  
17 Every dealer may establish a reasonable maximum number of  
18 empty beverage containers which he will redeem at any one  
19 time unless advance arrangements to the contrary have been  
20 made. Every dealer shall prominently display notice of these  
21 restrictions at a conspicuous location in his place of business.

22 d. At no time during his regular business hours shall a dealer  
23 refuse to accept or to pay a person the refund value of up to six  
24 empty beverage containers per person, regardless of the  
25 proximity of an operating redemption Center.

26 8. The Commissioner of Environmental Protection, Pursuant  
27 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52  
28 :14B-1 et seq.), shall adopt any rules and regulations prohibiting,  
29 conditioning and controlling the sale and labeling of beverage  
30 containers which shall be designed to further the purpose and  
31 policy of this act.

32 9. If any person violates any of the provisions of this act or  
33 any rule or regulation adopted pursuant to the provisions of this  
34 act, the department or any local or county board of health may  
35 institute a civil action in a court of competent jurisdiction for  
36 injunctive relief to prohibit the violation and the court may  
37 proceed in the action in a summary manner.

38 10. Any person who violates the provisions of this act or any  
39 rule or regulation adopted pursuant to this act is liable to a  
40 penalty of not more than \$2,500.00 for each offense, to be  
41 collected in a summary proceeding under "the penalty  
42 enforcement law" (N.J.S.2A:58-1 et seq.) and in any case before  
43 a court of competent jurisdiction wherein injunctive relief has  
44 been requested. The Superior Court and county district court  
45 have jurisdiction to enforce "the penalty enforcement law." If  
46 the violation is of a continuing nature, each day during which it  
47 continues constitutes an additional, separate and distinct  
48 offense. The department is authorized to compromise and settle

1 any claim for a penalty under this act in an amount in the  
2 discretion of the department as may appear appropriate and  
3 equitable under all of the circumstances

4 11. Whenever an agent of the department, or of a local or  
5 county board of health, finds, or has probable cause to believe,  
6 that any beverage container is being sold or labeled in violation  
7 of any provision of this act or any rule or regulation adopted  
8 pursuant to this act, that agent may affix to the container a tag  
9 or other appropriate marking giving notice that the container has  
10 been detained or embargoed, and warning all persons not to  
11 remove, dispose, or use the container until permission is given by  
12 the department or the court. It is a violation of this act for any  
13 person to remove, dispose, or use any detained or embargoed  
14 container without that permission.

15 12. This act shall take effect 180 days following enactment.

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#### STATEMENT

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20 The nonreturnable container constitutes one of the most  
21 serious problems in the area of environmental protection. Each  
22 year thousands of beverage containers are found littering the  
23 sides of roads, highways and recreational areas. This litter is an  
24 unsightly blight which constitutes a public nuisance as well as a  
25 safety hazard. In addition, beverage containers constitute a large  
26 portion of municipal solid waste, thereby imposing significant  
27 disposal fees upon municipal governments.

28 The implementation of a returnable system would not only ease  
29 these environmental problems but save natural resources and  
30 energy as well. At the same time an increase in Statewide  
31 employment would result from the formation of a large recycling  
32 industry.

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34

35

#### WASTE MANAGEMENT

36

37 Provides for the regulation of beverage containers, requires  
38 certain containers to have refund values.

LEGISLATIVE FISCAL ESTIMATE TO  
ASSEMBLY, No. 90

STATE OF NEW JERSEY

DATED: November 5, 1990

Assembly Bill No. 90 of 1990 establishes a beverage container recycling program that would require every container made of recyclable aluminum or glass to be returned to beverage dealers for a refund. These containers (which cannot include detachable parts or plastic rings) would then be recycled and reused. The Department of Environmental Protection (DEP) would be responsible for implementing and administering this program.

Based on fiscal data provided by DEP on similar bills introduced in the 1984 and 1986 Legislative Sessions, the Office of Legislative Services estimates the administrative costs of the bill as follows (assuming an effective date of January 1, 1991):

	<u>FY1991</u>	<u>FY1992</u>	<u>FY1993</u>
Personnel	\$450,000*	\$ 836,000	\$ 920,000
General operations	168,000	176,000	185,000
One-time, non-personnel expenditures	<u>265,000</u>	<u>-</u>	<u>-</u>
	\$883,000	\$1,012,000	\$1,105,000

\*includes one-time expenditures of \$35,000 for regulatory development and \$35,000 for container classification; for FY 1992 and FY 1993, personnel costs reflect annual 10.0 percent increases and non-personnel costs reflect annual 5.0 percent increases.

Statewide cost savings in landfill or tipping fees cannot be estimated at this time because most counties are now in the process of recycling, rather than landfilling, aluminum and glass beverage containers. Once the department releases 1989 and 1990 landfill tonnage figures, a comparative cost savings analysis can be made.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

ASSEMBLY, No. 281

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel  
PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Assemblyman SHINN

1 AN ACT concerning the imposition of fees on certain  
2 containers, and supplementing Title 13 and Title 52 of the  
3 Revised Statutes.

4  
5 BE IT ENACTED by the Senate and General Assembly of the  
6 State of New Jersey:

7 1. The Legislature finds and declares that it is the policy of  
8 this State to pursue a hierarchy of solid waste management  
9 techniques consisting of source reduction, recycling, resource  
10 recovery, and landfilling; that it is in the public interest to  
11 promote aggressively waste reduction and recycling as the  
12 preferred methods of solid waste management; that an important  
13 element in recycling is the encouragement of the use of  
14 containers made from recycled materials, the encouragement of  
15 reusable containers, the promotion of the production of  
16 single-use serving containers utilizing recycled materials and the  
17 discouragement of the use of disposable nonbiodegradable serving  
18 containers; and that because New Jersey is faced with a very  
19 restricted range of disposal alternatives, the recycling and reuse  
20 of containers can make a significant contribution to the reduction  
21 of the State's overall solid waste stream.

22 The Legislature further finds and declares that a statewide  
23 solid waste reduction strategy must begin with fundamental  
24 changes in manufacturing practices and packaging processes; that  
25 containers account for a significant portion of the municipal solid  
26 waste stream and the container industry consistently  
27 manufactures containers that far exceed functional requirements,  
28 and utilizes materials more damaging to the environment than  
29 their predecessors; that many products are increasingly marketed  
30 in disposable containers made, in whole or in part, from  
31 nonbiodegradable materials; that these products are aggressively  
32 promoted as single-use or throwaway items, which products are  
33 advertised as light-weight, convenient and disposable; that these  
34 throwaway containers are an environmental liability rather than a  
35 consumers' aid and are not biodegradable after disposal,  
36 notwithstanding that they offer no protective or other advantage  
37 to the retailer or consumer not provided by biodegradable  
38 containers; and that a fee on the retail sale of certain containers  
39 to encourage consumers to purchase and utilize products  
40 packaged in containers which are widely recycled or refilled, or  
41 containers made from recycled materials, would make a

1 significant contribution toward a solution to this State's solid  
2 waste disposal problems.

3 The Legislature further finds and declares that the generators  
4 of containers that are discarded after serving their intended use  
5 and are not being recycled at an acceptable level must pay  
6 disposal costs reflecting the real costs to society of  
7 environmentally-sound solid waste disposal; that in particular,  
8 the container industry must begin to bear a more equitable share  
9 of the environmental and social costs associated with  
10 manufacturing containers having little potential for recycling,  
11 and which place a burden on the State's severely limited disposal  
12 capacity; and that the most effective and appropriate method to  
13 promote waste reduction is to discourage the distribution and use  
14 of these containers in this State through the imposition of a  
15 container fee.

16 The Legislature therefore determines that it is in the public  
17 interest to impose a fee on containers based upon the recycled  
18 materials content, biodegradability, reusability and rate of  
19 recycling of the materials used in the production of the  
20 container; and to use the revenues generated from this container  
21 fee to provide economic relief to the residents of this State to  
22 compensate for increased solid waste disposal costs.

23 2. This act shall be known and may be cited as the "Solid  
24 Waste Reduction Act of 1988."

25 3. As used in this act:

26 "Biodegradable" means capable of disintegrating, by naturally  
27 occurring biological or physical processes in the environment  
28 within a period of three years after manufacture, into fragments  
29 that are small relative to the original size, or into particles of a  
30 molecular weight that is low when compared to that of the  
31 original material;

32 "Commissioner" means the Commissioner of Environmental  
33 Protection;

34 "Container" means any rigid package, bottle or can used to  
35 contain a food or nonfood product sold at retail that retains its  
36 structural configuration after the product is removed;

37 "Department" means the Department of Environmental  
38 Protection;

39 "Director" means the Director of the Division of Taxation in  
40 the Department of Treasury;

41 "Division" means the Division of Taxation in the Department  
42 of Treasury;

43 "Feepayer" means any retailer of containers or single-use  
44 serving containers subject to the fee provisions of this act

45 "Fee period" means every three calendar months or any other  
46 period as may be prescribed by rule and regulation adopted by the  
47 director, on the basis of which the feepayer is required to report  
48 to the director pursuant to this act;

1 "Post-consumer waste material" means any product generated  
2 by a business or consumer which has served its intended end use,  
3 and which has been separated from solid waste for the purpose of  
4 recycling and which does not include secondary waste material;

5 "Recycled container" means any container the composition of  
6 which is at least 50% post-consumer waste materials;

7 "Recycling" means any process by which materials which would  
8 otherwise become solid waste are collected, separated or  
9 processed and returned to the economic mainstream in the form  
10 of raw materials or products;

11 "Retailer" means a person who engages in the retail sale within  
12 the State of food or nonfood products packaged in containers or  
13 single-use serving containers, and includes restaurants which sell  
14 for consumption off the premises of the restaurant a meal, food,  
15 or beverage prepared and ready to be consumed;

16 "Secondary waste material" means waste material generated  
17 after the completion of a manufacturing process;

18 "Single-use serving container" means any container, or any  
19 other item, packaging or packaging material, product or device  
20 made, in whole or in part, of material which is not biodegradable  
21 and which is routinely discarded after use or consumption, which  
22 contains a product having a useful life of less than six months,  
23 and which is commonly referred to as a "takeout" container;

24 4. a. There is imposed upon each retailer in this State engaged  
25 in the retail sale of food or nonfood products packaged in  
26 containers with a capacity of more than six ounces, a fee of \$0.02  
27 per container.

28 b. Every person subject to this fee shall register with the  
29 director, on forms prescribed by the director, within 90 days of  
30 the effective date of this act.

31 c. Every feepayer shall, on or before the twentieth day of the  
32 month following the close of each fee period, prepare and file a  
33 return, under oath, with the director on such forms as may be  
34 prescribed by the director. The return shall indicate the total  
35 number of non-exempt containers sold and at the same time the  
36 feepayer shall pay the full amount of the fee due.

37 d. If a return required by this act is not filed, or if a return  
38 when filed is incorrect or insufficient in the opinion of the  
39 director, the amount of the fee due shall be determined by the  
40 director from such information as may be available. Notice of  
41 this determination shall be given to the feepayer liable for the  
42 payment of the fee. This determination shall finally and  
43 irrevocably fix the fee unless the person against who it is  
44 assessed shall apply to the director for a hearing within 30 days  
45 after receiving notice of the determination or unless on his own  
46 the director shall redetermine the fee. After such a hearing the  
47 director shall give notice of his determination to the person to  
48 whom the fee is assessed.

1 e. Any feepayer who shall fail to file his return when due or to  
2 pay any fee when due, as provided by this act, shall be subject to  
3 the penalties and interest as provided in the "State Tax Uniform  
4 Procedure Law," R.S.54:48-1 et seq. If the director determines  
5 that the failure to comply with the provisions of this section was  
6 excusable under the circumstances, he may remit any part of the  
7 penalty as shall be appropriate under the circumstances.

8 f. In addition to the other powers granted by this section, the  
9 director may:

10 (1) Delegate to any officer or employee of the division any  
11 powers and duties he may deem necessary to carry out efficiently  
12 the provisions of this section, and the person or persons to whom  
13 the powers have been delegated shall possess and may exercise all  
14 of the powers and perform all of the duties delegated by the  
15 director.

16 (2) Prescribe and distribute all necessary forms for the  
17 implementation of this act; and

18 (3) Adopt any rules and regulations necessary for the  
19 implementation of this act.

20 g. The fee imposed by this section shall be governed in all  
21 respects by the provisions of the "State Tax Uniform Procedure  
22 Law," R.S.54:48-1 et seq., unless otherwise provided by a specific  
23 provision of this section.

24 5. a. Within 3 months of the effective date of this act, and  
25 annually thereafter, the Department of Environmental Protection  
26 shall make a written determination as to the recycling rates  
27 achieved in this State for glass and aluminum containers during  
28 the previous 12 months. This determination shall be the basis  
29 upon which the recycling rate of all containers which may be  
30 subject to the fee imposed pursuant to section 4 of this act shall  
31 be certified by the department.

32 b. In the event that the department makes a written  
33 determination that a container composed of material other than  
34 aluminum or glass is not being recycled at a rate at least equal to  
35 that being achieved for aluminum or glass, whichever is lower, as  
36 provided in subsection a. of this section, the department shall  
37 certify that container as a container subject to the fee.

38 6. The following containers shall be exempt from the fee on  
39 the sale of containers imposed under section 4 of this act:

40 a. Containers which have been certified by the Department of  
41 Environmental Protection as having achieved an acceptable  
42 recycling rate pursuant to section 5 of this act;

43 b. Any container composed of at least 50% post-consumer  
44 waste materials, as certified by the manufacturer thereof and  
45 approved by the department;

46 c. Any container which is biodegradable, as certified by the  
47 manufacturer thereof and approved by the department;

48 d. Any container which is designed to be refilled with the same

- 1 product with which it was originally filled and which customarily  
2 is refilled and reused; and
- 3 e. Any container for which there is no feasible or practical  
4 substitute or that is necessary to protect the public health,  
5 safety, or welfare, as determined by the department, or that is  
6 required pursuant to federal law.
- 7 7. The Department of Environmental Protection shall,  
8 pursuant to criteria adopted by the department by rule or  
9 regulation in accordance with the provisions of the  
10 "Administrative Procedure Act," P.L.1968, c.420 (C.52:14B-1 et  
11 seq.), establish and revise, at least annually, a list of exempt  
12 containers as provided in section 6 of this act. Any manufacturer  
13 of a nonexempt container may petition the department for an  
14 exemption from the fee imposed pursuant to section 4 of this act  
15 for a particular container. The department may grant the  
16 exemption if warranted by the circumstances.
- 17 8. a. There is imposed upon each retailer in this State engaged  
18 in the retail sale of food or beverages packaged in single-use  
19 serving containers, a fee of \$0.02 per container.
- 20 b. Every person subject to this fee shall register with the  
21 director, on forms prescribed by the director, within 90 days of  
22 the effective date of this act.
- 23 c. Every feepayer shall, on or before the twentieth day of the  
24 month following the close of each fee period, prepare and file a  
25 return, under oath, with the director on such forms as may be  
26 prescribed by the director. The return shall indicate the total  
27 number of single-use serving containers sold and at the same  
28 time the feepayer shall pay the full amount of the fee due.
- 29 d. If a return required by this act is not filed, or if a return  
30 when filed is incorrect or insufficient in the opinion of the  
31 director, the amount of the fee due shall be determined by the  
32 director from such information as may be available. Notice of  
33 this determination shall be given to the feepayer liable for the  
34 payment of the fee. This determination shall finally and  
35 irrevocably fix the fee unless the person against who it is  
36 assessed shall apply to the director for a hearing within 30 days  
37 after receiving notice of the determination, or unless on his own  
38 the director shall redetermine the fee. After such a hearing the  
39 director shall give notice of his determination to the person to  
40 whom the fee is assessed.
- 41 e. Any feepayer who shall fail to file his return when due or to  
42 pay any fee when due, as provided by this act, shall be subject to  
43 the penalties and interest as provided in the "State Tax Uniform  
44 Procedure Law," R.S.54:48-1 et seq. If the director determines  
45 that the failure to comply with the provisions of this section was  
46 excusable under the circumstances, he may remit any part of the  
47 penalty as shall be appropriate under the circumstances.
- 48 f. In addition to the other powers granted by this section, the

1 director may:

2 (1) Delegate to any officer or employee of the division any  
3 powers and duties he may deem necessary to carry out efficiently  
4 the provisions of this section, and the person or persons to whom  
5 the powers have been delegated shall possess and may exercise all  
6 of the powers and perform all of the duties delegated by the  
7 director.

8 (2) Prescribe and distribute all necessary forms for the  
9 implementation of this act; and

10 (3) Adopt any rules and regulations necessary for the  
11 implementation of this act.

12 g. The fee imposed by this section shall be governed in all  
13 respects by the provisions of the "State Tax Uniform Procedure  
14 Law," R.S.54:48-1 et seq., unless otherwise provided by a specific  
15 provision of this section.

16 9. a. Any person engaged in the retail sale of food, beverages,  
17 drugstore sundry products, or household products, and who  
18 provides consumers with a plastic bag in which to carry such  
19 items, shall provide consumers with a choice of either a paper  
20 bag or a plastic bag.

21 b. Any person subject to the provisions of this section shall  
22 conspicuously post and maintain, at or near the point of sale or in  
23 close proximity to the area where purchased items are placed in  
24 bags for removal by the consumer from the premises, a legible  
25 sign, not less than 11 inches by 15 inches in size, informing the  
26 public that consumers shall be entitled to a choice of either a  
27 paper bag or a plastic bag.

28 10. The department shall adopt, within three months of the  
29 effective date of this act and pursuant to the provisions of the  
30 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
31 seq.), rules or regulations designed to implement the purposes and  
32 provisions of this act.

33 11. a. There is established within the Department of the  
34 Treasury the "Solid Waste Reduction Fund." The Director of the  
35 Division of Taxation shall deposit all revenues from the fees  
36 imposed pursuant to section 4 and section 8 of this act in the  
37 fund. Monies deposited in the "Solid Waste Reduction Fund" shall  
38 be used to provide eligible taxpayers with a supplement to the  
39 annual homestead rebate payment provided pursuant to P.L.1976.  
40 c.72 (C.54:4-3.80 et seq.), and to provide eligible tenants with a  
41 credit against the tax due pursuant to P.L.1976, c.47  
42 (N.J.S.54A:1-1 et seq.).

43 b. On or before March 1, 1989, the Commissioner of the  
44 Department of Environmental Protection shall certify to the  
45 Director of the Division of Taxation those counties that have  
46 adopted the district solid waste management plan required  
47 pursuant to P.L.1970, c.39 (C.13:1E-1 et seq.), which plan has  
48 been approved by the department, includes the district recycling

1 plan required pursuant to section 3 of P.L.1987, c.102  
2 (C.13:1E-99.13), and provides for the development of recycling  
3 and solid waste facilities approved by the department to  
4 accommodate both the short-term and long-term solid waste  
5 disposal and recycling requirements of the county. Any taxpayer  
6 residing in a county not certified by the commissioner pursuant to  
7 this subsection shall be ineligible to receive a supplemental  
8 homestead rebate or tenant credit pursuant to this act.

9 c. On or before March 1, 1990, and annually thereafter, the  
10 Commissioner of the Department of Environmental Protection  
11 shall certify to the Director of the Division of Taxation those  
12 counties which have made a good faith effort to achieve the  
13 milestones contained within the district solid waste management  
14 plan required pursuant to P.L.1970, c.39 (C.13:1E-1 et seq.)  
15 pertaining to the project schedule for the construction of a  
16 resource recovery facility or other solid waste facility approved  
17 by the department to accommodate the long-term solid waste  
18 disposal and recycling requirements of the county. Any taxpayer  
19 residing in a county not certified by the commissioner pursuant to  
20 this subsection shall be ineligible to receive a supplemental  
21 homestead rebate or tenant credit pursuant to this act for the  
22 year in which the county was not certified.

23 d. On or before May 1, 1989, and annually thereafter, the  
24 Director of the Division of Taxation shall determine, on the basis  
25 of the certification received from the Department of  
26 Environmental Protection pursuant to the provisions of this  
27 section, the number of taxpayers eligible for the supplemental  
28 homestead rebate or tenant credit, and shall determine the  
29 amount of the supplemental homestead rebate or tenant credit  
30 for the current tax year. The amount of the supplemental  
31 homestead rebate or credit for any tax year shall be equal to the  
32 estimated annual balance in the "Solid Waste Reduction Fund"  
33 divided by the number of eligible taxpayers. The supplemental  
34 homestead rebate shall be included in the homestead rebate  
35 provided in the current tax year pursuant to P.L.1976, c.72  
36 (C.54:4-3.80 et seq.). The tenant credit shall be allowed as a  
37 credit against the tax imposed pursuant to P.L.1976, c.47  
38 (N.J.S.54A:1-1 et seq.) for the current tax year.

39 12. This act shall take effect immediately, except that section  
40 4 and section 8 shall take effect the first day of the sixth month  
41 following enactment.

#### 42 43 44 STATEMENT

45  
46 This bill would impose fees on the retail sale of certain  
47 containers. A fee of \$0.02 per container is imposed upon each  
48 person engaged in this State in the retail sale of food or nonfood

1 products packaged in rigid containers with a capacity of more  
2 than six ounces. A container would be exempt from the fee if it  
3 meets any of the following criteria: (1) the container has been  
4 certified by the Department of Environmental Protection as  
5 having achieved a recycling rate equal to that achieved for  
6 aluminum or glass during the previous 12 month period; (2) the  
7 container is composed of at least 50% post-consumer waste  
8 materials, as certified by the manufacturer thereof and approved  
9 by the department; (3) the container is biodegradable, as  
10 certified by the manufacturer thereof and approved by the  
11 department; (4) the container is designed to be refilled with the  
12 same product with which it was originally filled and is  
13 customarily refilled and reused; or (5) it is a container for which  
14 there is no feasible or practical substitute or that is necessary to  
15 protect the public health, safety, or welfare, as determined by  
16 the department, or that is required pursuant to federal law.

17 The bill also imposes upon each person engaged in this State in  
18 the retail sale of food or beverages packaged in single-use  
19 serving containers, a fee of \$0.02 per container. A single-use  
20 serving container is defined as any container, or any other item,  
21 packaging or packaging material, product or device made, in  
22 whole or in part, of material which is not biodegradable and  
23 which is routinely discarded after use or consumption, containing  
24 a product which has a useful life of less than six months and  
25 which is commonly referred to as a "takeout" container.

26 The revenues derived from the fees on containers and  
27 single-use serving containers would be deposited in a "Solid  
28 Waste Reduction Fund" established within the Department of the  
29 Treasury. Monies deposited in the "Solid Waste Reduction Fund"  
30 would be used to provide eligible taxpayers with a supplement to  
31 the annual homestead rebate payment provided pursuant to  
32 P.L.1976, c.72 (C.54:4-3.80 et seq.), and to provide eligible  
33 tenants with a credit against the tax due pursuant to P.L.1976,  
34 c.47 (N.J.S.54A:1-1 et seq.) in order to provide economic relief to  
35 the residents of this State to compensate for increased solid  
36 waste disposal costs.

37 In determining the eligibility of taxpayers for 1989, the  
38 Commissioner of the Department of Environmental Protection  
39 must certify to the Director of the Division of Taxation those  
40 counties that have adopted the district solid waste management  
41 plan required pursuant to P.L.1970, c.39 (C.13:1E-1 et seq.),  
42 which plan has been approved by the department, includes the  
43 district recycling plan required pursuant to section 3 of P.L.1987,  
44 c.102 (C.13:1E-99.13), and provides for the development of  
45 recycling and solid waste facilities approved by the department  
46 to accommodate the short-term and long-term solid waste  
47 disposal requirements of the county. Any taxpayer residing in a  
48 county not certified by the commissioner pursuant to this

1 requirement would be ineligible to receive a supplemental  
2 homestead rebate or tenant credit.

3 In determining eligibility of taxpayers for 1990 and thereafter,  
4 the Commissioner of the Department of Environmental  
5 Protection must certify to the Director of the Division of  
6 Taxation those counties which have made a good faith effort to  
7 achieve the milestones contained within their respective district  
8 solid waste management plans pertaining to the project schedule  
9 for the construction of a resource recovery facility or other solid  
10 waste facility approved by the department to accomodate the  
11 long-term solid waste disposal and recycling requirements of the  
12 county. Any taxpayer residing in a county not certified by the  
13 commissioner pursuant to this requirement would be ineligible to  
14 receive a supplemental homestead rebate or tenant credit for the  
15 year in which the county was not certified.

16 On or before May 1, 1989, and annually thereafter, the  
17 Director of the Division of Taxation must determine, on the basis  
18 of the certification received from the Department of  
19 Environmental Protection, the number of taxpayers eligible for  
20 the supplemental homestead rebate or tenant credit, and must  
21 thereupon determine the amount of the supplemental homestead  
22 rebate or tenant credit for the current tax year. The amount of  
23 the supplemental homestead rebate or credit for any tax year  
24 would be equal to the estimated annual balance in the "Solid  
25 Waste Reduction Fund" divided by the number of eligible  
26 taxpayers. The supplemental homestead rebate would be included  
27 in the homestead rebate provided in the current tax year pursuant  
28 to P.L.1976, c.72 (C.54:4-3.80 et seq.). The tenant credit would  
29 be allowed as a credit against the tax imposed pursuant to  
30 P.L.1976, c.47 (N.J.S.54A:1-1 et seq.) for the current tax year.

31 The bill would also provide that every person engaged in the  
32 retail sale of food, beverages, drugstore sundry products, or  
33 household products, and who provides consumers with a plastic  
34 bag in which to carry such items, must provide consumers with a  
35 choice of either a paper bag or a plastic bag.

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#### WASTE MANAGEMENT

39

40 Imposes fees on certain containers.

LEGISLATIVE FISCAL ESTIMATE TO  
ASSEMBLY, No. 281

STATE OF NEW JERSEY

DATED: November 27, 1990

Assembly Bill No. 281 of 1990 imposes a fee of \$0.02 per plastic container upon persons engaged in the retail sale of food, nonfood products or other tangible personal property packaged in plastic containers, or the retail sale of food or beverages packaged in single-use serving ("takeout") containers. Certain containers are exempt from the fee based on size, use, composition or other factors. The bill establishes a Solid Waste Reduction Fund to be the depository of the fee revenue and provides for the distribution of these monies to homeowners and tenants in eligible municipalities on a per-capita basis.

The Office of Legislative Services (OLS) estimates that the fees imposed by this bill will generate approximately \$54 million annually. This estimate is based upon separate calculations for the "rigid" and "non-rigid" or "takeout" container sectors. The rigid container sector estimate is based on container unit data by use and composition (1990 U.S. Industrial Outlook: U.S. Commerce Department, and analyses of earlier data from this series contained in published and unpublished papers). The non-rigid container sector estimate is based on container unit data derived from two separate approaches: first, data on aggregate weights of plastic materials used for types of containers (Modern Plastics: January, 1987) were combined with weight-per-container data ("Energy and Materials Use in the Production and Recycling of Consumer-Goods Packaging": L.L. Gaines, Argonne National Laboratory: February, 1981, and other sources). Second, survey data on frequency of fast food restaurant visits (Consumer Reports: June, 1988, and Gaines: 1981) were combined with container-per-visit survey results from a Minnesota Department of Revenue study.

OLS notes that, under the bill's provisions, the amounts deposited in the Solid Waste Reduction Fund are to be distributed as supplemental homestead rebates to eligible homeowners under P.L.1976, c.72 and as supplemental tenant homestead credits under P.L.1976, c.47. Both of these programs have been terminated effective January 1, 1991 under P.L.1990, c.61, which revises the gross income tax and provides a new property tax relief program.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.



ASSEMBLY, No. 1024

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Assemblyman KRONICK

1 AN ACT to provide for the submission to the voters of the State  
2 of a nonbinding referendum to ascertain their sentiment with  
3 respect to whether the Legislature should enact legislation  
4 providing for the establishment of a statewide deposit and  
5 refund system for beverage containers.  
6

7 WHEREAS, The Legislature finds and declares that the State is  
8 experiencing a severe solid waste disposal capacity crisis; that  
9 a significant component of this larger problem is that posed by  
10 the proliferation and accumulation of carelessly discarded  
11 beverage containers, which constitute a growing problem for  
12 local governments and may pose a threat to the public health  
13 and safety of the citizens of this State as well represent an  
14 aesthetic blight in the form of street litter; that unlawfully  
15 discarded beverage containers constitute a significant portion  
16 of New Jersey's solid waste stream, thus further taxing the  
17 already limited solid waste disposal options available to this  
18 State; and that the random discarding of beverage containers  
19 represents a profligate waste of the energy and raw materials  
20 which are used in producing them; and

21 WHEREAS, The Legislature further finds that local jurisdictions  
22 in this State, and countless Statewide and local jurisdictions in  
23 other states of the Nation have implemented laws, in many  
24 instances with notable success, which provide for a deposit on  
25 beverage containers, the goal of which is to encourage their  
26 return and reuse, thus relieving the disposal capacity burden  
27 while resulting in cleaner streets; and that while many claim  
28 that such a law here would undermine existing programs to  
29 manage the solid waste stream, an equal number of adherents  
30 assert that such a effort would be consistent with the  
31 Statewide solid waste management plan and complements the  
32 goals and recovery targets of the "New Jersey Statewide  
33 Mandatory Source Separation and Recycling Act," P.L.1987,  
34 c.102; and

35 WHEREAS, In consideration of the substantial economic, social,  
36 and environmental implications of such an act upon virtually  
37 every citizen in the State, the people of the State should be  
38 permitted to express their wishes as to whether they favor the  
39 enactment of legislation providing for the establishment of a  
40 deposit and refund system for beverage containers; now,  
41 therefore,

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

3 1. In order to ascertain the sentiment of the people of the  
4 State as to whether the Legislature should enact legislation  
5 providing for the establishment of a statewide deposit and refund  
6 system for beverage containers, the following public question  
7 shall be submitted to the people at the general election to be held  
8 in November, 1989 in the manner provided by this act and by  
9 Title 19 of the Revised Statutes for the submission to the people  
10 of public questions to be voted upon by the voters of the entire  
11 State, and it shall be the duty of the Secretary of State to  
12 arrange for the submission of such public question in accordance  
13 with the provisions of this act and of Title 19 of the Revised  
14 Statutes, of which submission the same notice shall be given, if  
15 possible, as is required by law of said election, and the people of  
16 the State may at such election vote for or against such question  
17 in the following manner.

18 2. There shall be included in each sample and official ballot  
19 the instructions set forth below on voting on the nonbinding  
20 referendum.

21 If you approve the question below, make a cross (X), plus (+) or  
22 check (✓) in the square opposite the word "Yes."

23 If you disapprove the question below, make a cross (X), plus (+)  
24 or check (✓) in the square opposite the word "No."

25 If the voting machines are used, a vote of "Yes" or "No" shall  
26 be equivalent to such markings respectively.

	ENACTMENT OF DEPOSIT AND REFUND SYSTEM FOR BEVERAGE CONTAINERS
YES	Should the Legislature enact legislation providing for the establishment of a statewide deposit and refund system for beverage containers?
NO	

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41 3. The votes cast "Yes" and "No," by ballot or voting machine,  
42 shall be counted and the result thereof returned by the election  
43 officer, and a canvas of such election had in the same manner  
44 now as is provided for by law in the case of the election of a  
45 Governor, and the result on such question shall be certified by the  
46 Secretary of State and transmitted to the presiding officers of  
47 the Legislature no later than 20 days after the conclusion of the  
48 election.

49 4. The Secretary of State shall prepare a single summary  
50 statement as to the reasons for submitting the proposition set

1 forth in section 2 of this act and shall direct the clerk of each  
2 county of this State to cause the proposition to be printed and  
3 placed on each of the ballots, together with the summary  
4 statement appended to or enclosed with the sample ballot, in a  
5 manner which will give prominence to such question and  
6 statement.

7 5. This act shall take effect immediately.

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#### STATEMENT

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#### WASTE MANAGEMENT

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Provides for nonbinding referendum on whether Legislature should enact legislation providing for a Statewide deposit and refund system for beverage containers.



ASSEMBLY, No. 2201  
STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel  
PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Assemblyman SPADORO

1 AN ACT concerning the disposition of beverage containers.  
2 repealing section 11 of P.L.1985, c.533 (C.13:1E-99.1), and  
3 supplementing P.L.1970, c.39 (C.13:1E-1 et seq.).  
4

5 BE IT ENACTED *by the Senate and General Assembly of the*  
6 *State of New Jersey:*

7 1. The Legislature finds that the proliferation and  
8 accumulation of carelessly discarded beverage containers is a  
9 growing problem for local governments and may pose a threat to  
10 the public health and safety of the citizens of New Jersey; that  
11 the haphazard disposal of empty cans and bottles create a hazard  
12 to vehicular traffic, a potential source of physical injury to  
13 pedestrians and animals, and constitute an unsightly accumulation  
14 of litter which must be disposed of at increasing public expense;  
15 that unlawfully discarded beverage containers constitute a  
16 significant portion of the State's solid waste stream, thus further  
17 taxing the already limited solid waste disposal options available  
18 to New Jersey; and that the random littering of beverage  
19 containers represents a profligate waste of the energy and raw  
20 materials which are used in producing them.

21 The Legislature therefore declares that it serves the public  
22 interest to provide that all beverage containers sold or offered  
23 for sale in this State have a refund value, and to provide for the  
24 convenient return and payment of the refund value of empty  
25 beverage containers; and that deposit and refund value system  
26 hereinafter provided is consistent with the Statewide and district  
27 solid waste management plans and complements the goals and  
28 recovery targets of the "New Jersey Statewide Mandatory Source  
29 Separation and Recycling Act".

30 2. As used in this act:

31 "Beverage" means milk, alcoholic beverages, including beer or  
32 other malt beverages, liquor, wine, vermouth and sparkling wine,  
33 and nonalcoholic beverages, including fruit juice, mineral water  
34 and soda water and similar nonalcoholic carbonated and  
35 noncarbonated drinks intended for human consumption;

36 "Beverage container" means an individual, separate,  
37 hermetically sealed, or made airtight with a metal or plastic cap,  
38 bottle or can composed of glass, metal, plastic or any  
39 combination thereof, containing a beverage;

40 "Commissioner" means the Commissioner of Environmental  
41 Protection;

1 "Consumer" means a person who purchases, a beverage in a  
2 beverage container for use or consumption;

3 "Department" means the Department of Environmental  
4 Protection;

5 "Distributor" means a person who sells beverages in beverage  
6 containers at wholesale to retailers engaged in sales within the  
7 State;

8 "Redemption center" means a place or a business which  
9 accepts empty beverage containers for recycling and pays the  
10 refund value of beverage containers; or a recycling center as  
11 defined in section 2 of P.L.1987, c.102 (C.13:1E-99.11 et al.);

12 "Retailer" means a person who engages in the sale within the  
13 State of beverages in beverage containers to a consumer at retail  
14 for off-premises use or consumption, including any distributor  
15 engaging in retail sales within the State;

16 "Sold within the State" or "sales within the State" means all  
17 sales of beverages in beverage containers by retailers engaged in  
18 business within New Jersey.

19 "Use or consumption" means the exercise of any right or power  
20 incident to the ownership of a beverage other than the sale or  
21 retention of a beverage for the purpose of sale.

22 3. a. Every beverage container sold or offered for sale in this  
23 State shall have a refund value when empty. Beverage containers  
24 made exclusively of recyclable aluminum, or a quality of glass  
25 which would permit the container to be washed, refilled and  
26 reused, shall have a refund value of \$0.10 each. All nonrefillable  
27 glass beverage containers, glass beverage containers coated with  
28 plastic, and bi-metal beverage containers shall have a refund  
29 value of \$0.15 each. All other beverage containers shall have a  
30 refund value of \$0.25 each.

31 b. Every beverage container sold or offered for sale in this  
32 State shall be clearly identified by a stamp, label or other mark  
33 securely affixed to the beverage container, bearing the  
34 inscription "New Jersey" or "N.J." and indicating the refund  
35 value of the beverage container.

36 4. a. Every retailer shall, upon presentation of an empty  
37 beverage container, refund to the bearer the refund value of the  
38 beverage container. No retailer shall refuse to accept at his  
39 place of business an empty beverage container from a person, or  
40 refuse to pay to a person the refund value of an empty beverage  
41 container.

42 b. A retailer shall not be required to accept or pay the refund  
43 value of an empty beverage container other than those of the  
44 kind, size, and brand he sells or offers for sale; nor shall a  
45 retailer be required to accept or pay the refund value of an  
46 empty beverage container which is damaged, unclean, or which is,  
47 in his opinion, in a condition as to threaten the public health and  
48 safety.

1 c. Every retailer may prescribe reasonable hours during which  
2 he will pay the refund value on clean, undamaged beverage  
3 containers, and designate a specific area of his place of business  
4 to which empty beverage containers shall be brought. Every  
5 retailer may establish a reasonable maximum number of empty  
6 beverage containers which he will redeem at any one time unless  
7 advance arrangements to the contrary have been made. Every  
8 retailer shall prominently display notice of these restrictions at a  
9 conspicuous location in his place of business.

10 d. At no time during his regular business hours shall a retailer  
11 refuse to accept or to pay to a person the refund value of up to  
12 six empty beverage containers per person.

13 5. Every distributor shall accept every beverage container of  
14 the kind, size, and brand he distributes returned by a retailer or  
15 an agent of the retailer and pay the retailer or the agent the  
16 refund value established in section 3 of this act, plus a 20%  
17 handling charge, for each beverage container.

18 6. Every retailer and distributor shall, within six months of the  
19 effective date of this act, and at least monthly thereafter,  
20 submit a volume report to the New Jersey Office of Recycling in  
21 accordance with rules and regulations adopted by the department  
22 therefor. The report shall include an inventory of the number of  
23 beverage containers accepted for redemption, the amount of  
24 deposits initiated and collected from consumers, and the  
25 disposition of redeemed beverage containers.

26 7. a. The dollar value of any unclaimed deposits retained by a  
27 distributor shall be due and payable, on a monthly basis, to the  
28 New Jersey Office of Recycling on behalf of the department.  
29 Every distributor shall keep and maintain accurate records of  
30 every beverage container accepted for refund from retailers or  
31 their agents, and the total amount paid in refunds to retailers or  
32 their agents each month.

33 b. Every distributor shall, within six months of the effective  
34 date of this act, and at least monthly thereafter, submit to the  
35 New Jersey Office of Recycling a beverage container redemption  
36 report. The report shall indicate the dollar value of unclaimed  
37 deposits initiated by him and at the same time the distributor  
38 shall pay the full amount of unclaimed deposits due. As used  
39 herein, "unclaimed deposits" shall mean any amounts in excess of  
40 the costs of redemption, including the handling charges thereof,  
41 which have accrued to a distributor on or after the 30th day after  
42 which a deposit has been initiated.

43 c. Any amounts received by the New Jersey Office of  
44 Recycling as unclaimed deposits submitted by distributors  
45 pursuant to subsection b. of this section shall be deposited in the  
46 "State Recycling Fund" established pursuant to section 5 of  
47 P.L.1981, c.278 (C.13:1E-96). Moneys in the fund received as a  
48 result of the provisions of this section shall be allocated and used

1 as provided by law.

2 8. a. A person may apply to the department for approval to  
3 establish a beverage container redemption center, subject to  
4 applicable provisions of law and in accordance with the provisions  
5 of P.L.1987, c.102 (C.13:1E-99.11 et al.), at which consumers  
6 may return empty beverage containers and receive payment of  
7 the refund value of the beverage containers.

8 b. An application for approval to establish a redemption center  
9 shall include the name and address of the person responsible for  
10 the establishment and operation of the redemption center; the  
11 kind, size, and brand names of beverage containers which will be  
12 accepted at the redemption center; the addresses of the retailers  
13 to be served by the redemption center; and any additional  
14 information which the department may require.

15 c. The department shall approve an application to establish a  
16 redemption center if it finds that the redemption center will  
17 provide a convenient service to consumers for the return of  
18 empty beverage containers. The order of the department  
19 approving the establishment of a redemption center shall state  
20 the retailers to be served by the redemption center; the kind,  
21 size, and brand names of empty beverage containers which the  
22 redemption center shall accept, and any other requirements  
23 which the department deems necessary to insure that the  
24 redemption center will provide a convenient service to the public.

25 d. The department may review at any time an approval of a  
26 redemption center. After affording written notice and bearing to  
27 the owner or operator of the redemption center, and to retailers  
28 served by the redemption center, the department may withdraw  
29 approval of the redemption center if it finds that the center has  
30 failed to comply with the conditions set forth in the order  
31 approving the center or if the redemption center no longer  
32 provides a convenient service to the public.

33 9. The commissioner shall adopt, pursuant to the provisions of  
34 the "Administrative Procedure Act," P.L.1968, c.410  
35 (C.52:14B-1 et seq.) any rules or regulations conditioning and  
36 controlling the sale and labeling of beverage containers which  
37 shall be designed to further the purposes of this act.

38 10. Any person who violates the provisions of this act or any  
39 rule or regulation adopted pursuant to this act shall be liable to a  
40 penalty of not more than \$50,000.00 per day to be collected in a  
41 civil action commenced by a local board of health, a county  
42 health department, or the commissioner.

43 Each day during which the violation continues constitutes an  
44 additional, separate and distinct offense. Any penalty imposed  
45 pursuant to this section may be collected with costs in a summary  
46 proceeding pursuant to "the penalty enforcement law"  
47 (N.J.S.2A:58-1 et seq.). The Superior Court and the municipal  
48 court shall have jurisdiction to enforce the provisions of "the

1 penalty enforcement law" in connection with this act. The  
2 department is authorized to compromise and settle a claim for a  
3 penalty under this act in an amount which the department deems  
4 appropriate and equitable under all of the circumstances.

5 11. Whenever an agent of the department, or of a local board  
6 of health or county health department, finds, or has probable  
7 cause to believe, that a beverage container is being sold or  
8 labeled in violation of a provision of this act or a rule or  
9 regulation adopted pursuant to this act, he may affix to the  
10 container a tag or other appropriate marking giving notice that  
11 the container has been detailed or embargoed, and warning all  
12 persons not to remove, dispose, or use the container until  
13 permission is given by the department or a court. It shall be a  
14 violation of this act for a person to remove, dispose, or use a  
15 detained or embargoed container without that permission.

16 12. Section 11 of P.L.1985, c.533 (C.13:1E-99.6) is repealed.

17 13. This act shall take effect 180 days following enactment,  
18 except that section 9 shall take effect immediately.

19  
20  
21 STATEMENT  
22

23 This bill would require that all beverage containers sold in New  
24 Jersey have a refund value. The refund value would be \$0.10 for  
25 refillable glass or recyclable aluminum beverage containers. All  
26 nonrefillable glass beverage containers, glass beverage containers  
27 coated with plastic and bi-metal beverage containers would have  
28 a refund value of \$0.15 each. All other beverage containers  
29 would have a refund value of \$0.25 each.

30 The bill further provides that any retailer of beverages in this  
31 State must accept and pay the refund value on any clean,  
32 undamaged empty beverage container of the kind, size, and brand  
33 he sells, and requires every distributor to pay any retailer or his  
34 agent the refund value, plus a 20% handling charge, for each  
35 clean, undamaged beverage container returned. Every distributor  
36 must refund any unclaimed deposits initiated by him to the New  
37 Jersey Office of Recycling. In addition, the bill authorizes the  
38 Department of Environmental Protection to regulate the  
39 establishment of beverage container redemption centers, where  
40 consumers could bring empty containers for refund.

41 The deposit and refund value system established by the bill  
42 would complement the goals and recovery targets of the  
43 Statewide mandatory source separation and recycling program  
44 required under the "New Jersey Statewide Mandatory Source  
45 Separation and Recycling Act," P.L.1987, c.102 (C.13:1E-92.1  
46 et seq.). Accordingly, every retailer must submit a monthly  
47 volume report to the New Jersey Office of Recycling detailing  
48 the number of containers redeemed, the amount of deposits

1 initiated and collected from consumers, and the disposition of  
2 redeemed beverage containers. The unclaimed deposits would be  
3 deposited in the "State Recycling Fund" to assist in the financing  
4 of county and municipal recycling activities.

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WASTE MANAGEMENT

8

9 Establishes a deposit on beverage containers sold in this State.

ASSEMBLY, No. 2714

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Assemblyman MARTIN

1 AN ACT requiring each beverage container sold or offered for  
2 sale in this State to have a refund value, and supplementing  
3 Title 13 of the Revised Statutes.

4  
5 BE IT ENACTED by the Senate and General Assembly of the  
6 State of New Jersey:

7 1. The Legislature finds that the proliferation and  
8 accumulation of carelessly discarded beverage containers is a  
9 growing problem for local governments and may pose a threat to  
10 the public health and safety of the citizens of New Jersey; that  
11 the haphazard disposal of empty cans and bottles create a hazard  
12 to vehicular traffic, a potential source of physical injury to  
13 pedestrians and animals, and constitute an unsightly accumulation  
14 of litter which must be disposed of at increasing public expense;  
15 that unlawfully discarded beverage containers constitute a  
16 significant portion of the State's solid waste stream, thus further  
17 taxing the already limited solid waste disposal options available  
18 to New Jersey; and that the random littering of beverage  
19 containers represents a profligate waste of the energy and raw  
20 materials which are used in producing them.

21 The Legislature therefore declares that it serves the public  
22 interest to provide that all beverage containers sold or offered  
23 for sale in this State have a refund value, and to provide for the  
24 convenient return and payment of the refund value of empty  
25 beverage containers.

26 2. As used in this act:

27 "Beverage" means milk, alcoholic beverages, including beer or  
28 other malt beverages, liquor, wine, vermouth and sparkling wine,  
29 and nonalcoholic beverages, including fruit juice, mineral water  
30 and soda water and similar nonalcoholic carbonated and  
31 noncarbonated drinks intended for human consumption;

32 "Beverage container" means an individual, separate,  
33 hermetically sealed, or made airtight with a metal or plastic cap,  
34 bottle or can composed of glass, metal, plastic or any  
35 combination thereof, containing a beverage;

36 "Commissioner" means the Commissioner of Environmental  
37 Protection;

38 "Consumer" means a person who purchases a beverage in a  
39 beverage container for use or consumption;

40 "Department" means the Department of Environmental  
41 Protection;

1 "Distributor" means a person who sells beverages in beverage  
2 containers at wholesale to retailers engaged in sales within the  
3 State;

4 "Redemption center" means a place or a business which  
5 accepts empty beverage containers for recycling and pays the  
6 refund value of beverage containers; or a recycling center as  
7 defined in section 2 of P.L. 1987, c. 102 (C.13:1E-99.11 et al.);

8 "Retailer" means a person who engages in the sale within the  
9 State of beverages in beverage containers to a consumer at retail  
10 for off-premises use or consumption, including any distributor  
11 engaging in retail sales within the State;

12 "Sold within the State" or "sales within the State" means all  
13 sales of beverages in beverage containers by retailers engaged in  
14 business within New Jersey;

15 "Use or consumption" means the exercise of any right or power  
16 incident to the ownership of a beverage other than the sale or  
17 retention of a beverage for the purpose of sale.

18 3. a. Every beverage container sold or offered for sale in this  
19 State shall have a refund value when empty. Beverage containers  
20 made exclusively of recyclable aluminum, or a quality of glass  
21 which would permit the container to be washed, refilled and  
22 reused, shall have a refund value of \$0.05 each. All other  
23 beverage containers shall have a refund value of \$0.10 each.

24 b. Every beverage container sold or offered for sale in this  
25 State shall be clearly identified by a stamp, label or other mark  
26 securely affixed to the beverage container, bearing the  
27 inscription "New Jersey" or "N.J." and indicating the refund  
28 value of the beverage container.

29 4. a. Every retailer shall, upon presentation of an empty  
30 beverage container, refund to the bearer the refund value of the  
31 beverage container. No retailer shall refuse to accept at his  
32 place of business an empty beverage container from a person, or  
33 refuse to pay to a person the refund value of an empty beverage  
34 container.

35 b. A retailer shall not be required to accept or pay the refund  
36 value of an empty beverage container other than those of the  
37 kind, size, and brand he sells or offers for sale; nor shall a  
38 retailer be required to accept or pay the refund value of an  
39 empty beverage container which is damaged, unclean, or which is,  
40 in his opinion, in a condition as to threaten the public health and  
41 safety.

42 c. Every retailer may prescribe reasonable hours during which  
43 he will pay the refund value on clean, undamaged beverage  
44 containers, and designate a specific area of his place of business  
45 to which empty beverage containers shall be brought. Every  
46 retailer may establish a reasonable maximum number of empty  
47 beverage containers which he will redeem at any one time unless  
48 advance arrangements to the contrary have been made. Every  
49 retailer shall prominently display notice of these restrictions at a

1 conspicuous location in his place of business.

2 d. At no time during his regular business hours shall a retailer  
3 refuse to accept or to pay to a person the refund value of up to  
4 six empty beverage containers per person.

5 5. Every distributor shall accept every beverage container of  
6 the kind, size, and brand he distributes returned by a retailer or  
7 an agent of the retailer and pay the retailer or the agent the  
8 refund value established in section 3 of this act, plus a 20%  
9 handling charge, for each beverage container.

10 6. a. A person may apply to the department for approval to  
11 establish a beverage container redemption center, subject to  
12 applicable provisions of law and in accordance with the provisions  
13 of P.L. 1987, c. 102 (C. 13:1E-99.11 et al.), at which consumers  
14 may return empty beverage containers and receive payment of  
15 the refund value of the beverage containers.

16 b. An application for approval to establish a redemption center  
17 shall include the name and address of the person responsible for  
18 the establishment and operation of the redemption center; the  
19 kind, size, and brand names of beverage containers which will be  
20 accepted at the redemption center; the addresses of the retailers  
21 to be served by the redemption center; and any additional  
22 information which the department may require.

23 c. The department shall approve an application to establish a  
24 redemption center if it finds that the redemption center will  
25 provide a convenient service to consumers for the return of  
26 empty beverage containers. The order of the department  
27 approving the establishment of a redemption center shall state  
28 the retailers to be served by the redemption center; the kind,  
29 size, and brand names of empty beverage containers which the  
30 redemption center shall accept, and any other requirements  
31 which the department deems necessary to insure that the  
32 redemption center will provide a convenient service to the public.

33 d. The department may review at any time an approval of a  
34 redemption center. After affording written notice and hearing to  
35 the owner or operator of the redemption center, and to retailers  
36 served by the redemption center, the department may withdraw  
37 approval of the redemption center if it finds that the center has  
38 failed to comply with the conditions set forth in the order  
39 approving the center or if the redemption center no longer  
40 provides a convenient service to the public.

41 7. The commissioner shall adopt, pursuant to the provisions of  
42 the "Administrative Procedure Act," P.L. 1968, c. 410 (C.  
43 52:14B-1 et seq.) any rules or regulations conditioning and  
44 controlling the sale and labeling of beverage containers which  
45 shall be designed to further the purposes of this act.

46 8. Any person who violates the provisions of this act or any  
47 rule or regulation adopted pursuant to this act shall be liable to a  
48 penalty of not more than \$2,500.00 per day to be collected in a

1 civil action commenced by a local board of health, a county  
2 health department, or the commissioner.

3 Each day during which the violation continues constitutes an  
4 additional, separate and distinct offense. Any penalty imposed  
5 pursuant to this section may be collected with costs in a summary  
6 proceeding pursuant to "the penalty enforcement law" (N.J.S.  
7 2A:58-1 et seq.). The Superior Court and the municipal court  
8 shall have jurisdiction to enforce the provisions of "the penalty  
9 enforcement law" in connection with this act. The department is  
10 authorized to compromise and settle a claim for a penalty under  
11 this act in an amount which the department deems appropriate  
12 and equitable under all of the circumstances.

13 9. Whenever an agent of the department, or of a local board of  
14 health or county health department, finds, or has probable cause  
15 to believe, that a beverage container is being sold or labeled in  
16 violation of a provision of this act or a rule or regulation adopted  
17 pursuant to this act, he may affix to the container a tag or other  
18 appropriate marking giving notice that the container has been  
19 detained or embargoed, and warning all persons not to remove,  
20 dispose, or use the container until permission is given by the  
21 department or a court. It shall be a violation of this act for a  
22 person to remove, dispose, or use a detained or embargoed  
23 container without that permission.

24 10. Within 18 months of the effective date of this act, the  
25 department shall prepare and submit to the Legislature a report  
26 on the operation of this act during its first year. The report shall  
27 include, but not be limited to, an analysis of the act's economic  
28 impact on persons engaged in the beverage manufacturing  
29 business, and persons engaging in manufacturing beverage  
30 containers; an analysis of the problems, if any, incurred in the  
31 distribution, sale and return of beverage containers due to  
32 compliance with the provisions of this act; an evaluation of the  
33 effectiveness of this act in reducing beverage container litter in  
34 this State; and a computation of the costs incurred in the  
35 enforcement of the provisions of this act.

36 11. This act shall take effect 180 days following enactment,  
37 except that section 7 shall take effect immediately.

#### 38 39 40 STATEMENT

41  
42 This bill would require that all beverage containers sold in New  
43 Jersey have a refund value. The refund value would be \$0.05 for  
44 refillable glass or recyclable aluminum beverage containers. All  
45 other beverage containers would have a refund value of \$0.10  
46 each.

47 The bill further provides that any retailer of beverages in this  
48 State must accept and pay the refund value on any clean,  
49 undamaged empty beverage container of the kind, size, and

1 brand he sells, and requires every distributor to pay any retailer  
2 or his agent the refund value, plus a 20% handling charge, for  
3 each clean, undamaged beverage container returned. In addition,  
4 the bill authorizes the Department of Environmental Protection  
5 to regulate the establishment of beverage container redemption  
6 centers, where consumers could bring empty containers for  
7 refund.

8

9

10

WASTE MANAGEMENT

11

12

Establishes a deposit on beverage containers sold in this State.



ASSEMBLY, No. 3120  
STATE OF NEW JERSEY

INTRODUCED MARCH 1, 1990

By Assemblymen DUCH, GILL and Mazur

1 AN ACT concerning beverage containers, supplementing  
2 P.L.1987, c.102 (C.13:1E-99.11 et al.), and repealing section 11  
3 of P.L.1985, c.533 (C.13:1E-99.6).  
4

5 BE IT ENACTED by the Senate and General Assembly of the  
6 State of New Jersey:

7 1. The Legislature finds that the proliferation and  
8 accumulation of aluminum, glass, metal and plastic beverage  
9 containers in the municipal solid waste stream is a growing  
10 problem for local governments, and that due to the low density of  
11 plastics relative to other disposable items in the waste stream,  
12 the net effect of the collection and disposal of plastic beverage  
13 containers is several times greater on a volume basis; that the  
14 resource recovery incineration facilities currently under  
15 development in this State require a guaranteed flow of  
16 processible and combustible solid waste to operate economically  
17 and efficiently and the removal of recyclable glass and aluminum  
18 beverage containers prior to incineration improves the  
19 combustion efficiency of these facilities; that the elimination of  
20 plastic beverage containers from the waste stream would  
21 minimize the potential for toxic substances to form if solid waste  
22 is incinerated at a resource recovery facility; that plastic soft  
23 drink bottles manufactured from a polyester blend (polyethylene  
24 terephthalate, or PET) are approximately two-thirds as dense as  
25 aluminum cans, and one-tenth as dense as glass beverage  
26 containers, and consequently, uncompacted, take up more  
27 expensive disposal capacity than traditional and readily  
28 recyclable beverage container packaging; and that virtually all  
29 PET and high density polyethylene (HDPE) recycling activity has  
30 occurred in states with deposit laws.

31 The Legislature further finds that despite the State's  
32 commitment to the recycling of at least 25 percent of the  
33 municipal solid waste stream by December 31, 1990 pursuant to  
34 the "New Jersey Statewide Mandatory Source Separation and  
35 Recycling Act," P.L.1987, c.102 (C.13:1E-99.11 et al.), the grim  
36 reality is that altogether too many readily recyclable aluminum,  
37 glass, metal and plastic beverage containers are still entering the  
38 waste stream.

39 The Legislature therefore declares that it serves the public  
40 interest to provide that all beverage containers sold or offered  
41 for sale in this State have a refund value, and to provide for the  
42 convenient return and payment of the refund value of empty

1 beverage containers; and that deposit and refund value system  
2 hereinafter provided is consistent with the goals and recovery  
3 targets of the "New Jersey Statewide Mandatory Source  
4 Separation and Recycling Act".

5 2. As used in this act:

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

11 "Beverage container" means an individual, separate,  
12 hermetically sealed, or made airtight with a metal or plastic cap,  
13 bottle or can having a capacity of at least 6 fluid ounces and not  
14 more than 5 liters composed of aluminum, glass, metal or plastic,  
15 or any combination thereof, containing a beverage;

16 "Commissioner" means the Commissioner of Environmental  
17 Protection;

18 "Consumer" means a person who purchases a beverage in a  
19 beverage container for use or consumption;

20 "Department" means the Department of Environmental  
21 Protection;

22 "Distributor" means a person who sells beverages in beverage  
23 containers at wholesale to retailers engaged in sales within the  
24 State;

25 "Redemption center" means a place or a business which  
26 accepts empty beverage containers for recycling and pays the  
27 refund value of beverage containers; or a recycling center as  
28 defined in section 2 of P.L.1987, c.102 (C.13:1E-99.11 et al.);

29 "Retailer" means a person who engages in the sale within the  
30 State of beverages in beverage containers to a consumer at retail  
31 for off-premises use or consumption, including any distributor  
32 engaging in retail sales within the State;

33 "Sold within the State" or "sales within the State" means all  
34 sales of beverages in beverage containers by retailers engaged in  
35 business within New Jersey;

36 "Use or consumption" means the exercise of any right or power  
37 incident to the ownership of a beverage other than the sale or  
38 retention of a beverage for the purpose of sale.

39 3. a. Every beverage container sold or offered for sale in this  
40 State shall have a refund value of \$0.10 when empty.

41 b. Every beverage container sold or offered for sale in this  
42 State by a retailer shall be clearly identified by a stamp, label or  
43 other mark securely affixed to the beverage container, bearing  
44 the inscription "New Jersey" or "N.J." and indicating the refund  
45 value of the beverage container.

46 4. a. Every retailer shall, upon presentation of an empty  
47 beverage container, refund to the bearer the refund value of the  
48 beverage container. No retailer shall refuse to accept at his  
49 place of business an empty beverage container from a person, or

1 refuse to pay to a person the refund value of an empty beverage  
2 container.

3 b. A retailer shall not be required to accept or pay the refund  
4 value of an empty beverage container other than those of the  
5 kind, size, and brand he sells or offers for sale; nor shall a  
6 retailer be required to accept or pay the refund value of an  
7 empty beverage container which is damaged, unclean, or which is,  
8 in his opinion, in a condition as to threaten the public health and  
9 safety.

10 c. Every retailer may prescribe reasonable hours during which  
11 he will pay the refund value on clean, undamaged beverage  
12 containers, and designate a specific area of his place of business  
13 to which empty beverage containers shall be brought. Every  
14 retailer may establish a reasonable maximum number of empty  
15 beverage containers which he will redeem at any one time unless  
16 advance arrangements to the contrary have been made. Every  
17 retailer shall prominently display notice of these restrictions at a  
18 conspicuous location in his place of business.

19 d. At no time during his regular business hours shall a retailer  
20 refuse to accept or to pay to a person the refund value of up to  
21 six empty beverage containers per person.

22 5. Every distributor shall accept every beverage container of  
23 the kind, size, and brand he distributes returned by a retailer or  
24 an agent of the retailer and pay the retailer or the agent the  
25 refund value established in section 3 of this act, plus a \$0.015  
26 handling charge, for each beverage container.

27 6. a. A person may apply to the department for approval to  
28 establish a beverage container redemption center, subject to  
29 applicable provisions of law and in accordance with the provisions  
30 of P.L.1987, c.102 (C.13:1E-99.11 et al.), at which consumers  
31 may return empty beverage containers and receive payment of  
32 the refund value of the beverage containers.

33 b. An application for approval to establish a redemption center  
34 shall include the name and address of the person responsible for  
35 the establishment and operation of the redemption center; the  
36 kind, size, and brand names of beverage containers which will be  
37 accepted at the redemption center; the addresses of the retailers  
38 to be served by the redemption center; and any additional  
39 information which the department may require.

40 c. The department shall approve an application to establish a  
41 redemption center if it finds that the redemption center will  
42 provide a convenient service to consumers for the return of  
43 empty beverage containers. The order of the department  
44 approving the establishment of a redemption center shall state  
45 the retailers to be served by the redemption center; the kind,  
46 size, and brand names of empty beverage containers which the  
47 redemption center shall accept, and any other requirements  
48 which the department deems necessary to insure that the  
49 redemption center will provide a convenient service to the public.

1 d. The department may review at any time an approval of a  
2 redemption center. After affording written notice and bearing to  
3 the owner or operator of the redemption center, and to retailers  
4 served by the redemption center, the department may withdraw  
5 approval of the redemption center if it finds that the center has  
6 failed to comply with the conditions set forth in the order  
7 approving the center or if the redemption center no longer  
8 provides a convenient service to the public.

9 7. The commissioner shall adopt, pursuant to the provisions of  
10 the "Administrative Procedure Act," P.L.1968, c.410  
11 (C.52:14B-1 et seq.) any rules or regulations conditioning and  
12 controlling the sale and labeling of beverage containers which  
13 shall be designed to further the purposes of this act.

14 8. Any person who violates the provisions of this act or any  
15 rule or regulation adopted pursuant to this act shall be liable to a  
16 penalty of not more than \$5,000.00 per day to be collected in a  
17 civil action commenced by a local board of health, a county  
18 health department, or the commissioner.

19 Each day during which the violation continues constitutes an  
20 additional, separate and distinct offense. Any penalty imposed  
21 pursuant to this section may be collected with costs in a summary  
22 proceeding pursuant to "the penalty enforcement law"  
23 (N.J.S.2A:58-1 et seq.). The Superior Court and the municipal  
24 court shall have jurisdiction to enforce the provisions of "the  
25 penalty enforcement law" in connection with this act. The  
26 department is authorized to compromise and settle a claim for a  
27 penalty under this act in an amount which the department deems  
28 appropriate and equitable under all of the circumstances.

29 9. Whenever an agent of the department, or of a local board of  
30 health or county health department, finds, or has probable cause  
31 to believe, that a beverage container is being sold or labeled in  
32 violation of a provision of this act or a rule or regulation adopted  
33 pursuant to this act, he may affix to the container a tag or other  
34 appropriate marking giving notice that the container has been  
35 detailed or embargoed, and warning all persons not to remove,  
36 dispose, or use the container until permission is given by the  
37 department or a court. It shall be a violation of this act for a  
38 person to remove, dispose, or use a detailed or embargoed  
39 beverage container without that permission.

40 10. Section 11 of P.L.1985, c.533 (C.13:1E-99.6) is repealed.

41 11. This act shall take effect 180 days following enactment,  
42 except that section 7 shall take effect immediately.

43  
44  
45 STATEMENT

46  
47 This bill would require that all beverage containers sold in New  
48 Jersey have a refund value of \$0.10 per container when empty.

49 The bill further provides that any retailer of beverages in this

1 State must accept and pay the refund value on any clean.  
2 undamaged empty beverage container of the kind, size, and brand  
3 he sells, and requires every distributor to pay any retailer or his  
4 agent the refund value, plus a \$0.015 handling charge, for each  
5 clean, undamaged beverage container returned.

6 In addition, the bill authorizes the Department of  
7 Environmental Protection to regulate the establishment of  
8 beverage container redemption centers, where consumers could  
9 bring empty containers for refund.

10 It has been amply documented that virtually all plastic  
11 beverage container recycling activity has occurred in states with  
12 deposit laws. Thus, the deposit and refund value system  
13 established by the bill would complement the goals and recovery  
14 targets of the Statewide mandatory source separation and  
15 recycling program required under the "New Jersey Statewide  
16 Mandatory Source Separation and Recycling Act," P.L.1987,  
17 c.102 (C.13:1E-92.1 et seq.).

18

19

20

#### WASTE MANAGEMENT

21

22

Establishes a deposit on beverage containers sold in this State.

LEGISLATIVE FISCAL ESTIMATE TO  
ASSEMBLY, No. 3120  
STATE OF NEW JERSEY

DATED: February 21, 1991

Assembly Bill No. 3120 of 1990 requires all beverage containers sold in New Jersey to have a refund value of \$0.10 per container when empty. It further provides that any retailer of beverages must accept and pay the refund value on any clean, undamaged empty beverage container of the kind, size, and brand he sells, and requires every distributor to pay any retailer or his agent the refund value, plus a \$0.015 handling charge, for each clean, undamaged beverage container returned.

The bill authorizes the Department of Environmental Protection to administer and regulate this program. This responsibility includes developing container labeling criteria and establishing beverage container redemption centers where consumers could bring empty containers in for refunds.

Although the department did not provide fiscal information on the bill, it did supply such data on similar bills introduced in previous Legislative Sessions. Based on these data, the Office of Legislative Services estimates the administration costs of the bill as follows (assuming an effective date of January 1, 1991):

	<u>FY1991</u>	<u>FY1992</u>	<u>FY1993</u>
Personnel	\$450,000	\$ 836,000	\$ 920,000
General operations	168,000	176,000	185,000
One-time, non-personnel expenditures	<u>265,000</u>	<u>-</u>	<u>-</u>
	\$883,000	\$1,012,000	\$1,105,000

The FY1991 personnel amount includes one-time expenditures of \$35,000 for regulatory development and \$35,000 for container classification. The FY1992 and FY1993 personnel amounts reflect annual 10.0 percent increases while the non-personnel figures reflect annual 5.0 percent increases.

Statewide cost savings in landfill or tipping fees cannot be estimated at this time because most counties are now in the process of recycling, rather than landfilling, beverage containers. Once the department releases 1990 landfill tonnage figures, a comparative cost savings analysis can be made.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c. 7.

ASSEMBLY, No. 3523

STATE OF NEW JERSEY

INTRODUCED MAY 17, 1990

By Assemblymen BRYANT and MATTISON

1 AN ACT concerning beverage containers, supplementing  
2 P.L.1987, c.102, and amending P.L.1985, c.533.

3  
4 BE IT ENACTED by the Senate and General Assembly of the  
5 State of New Jersey:

6 1. (New section) The Legislature finds that the proliferation  
7 and accumulation of carelessly discarded beverage containers is a  
8 growing problem for local governments and may pose a threat to  
9 the public health and safety of the citizens of New Jersey; that  
10 the haphazard disposal of beer and soft-drink cans and bottles  
11 create a hazard to vehicular traffic, a potential source of  
12 physical injury to pedestrians and animals, and constitute an  
13 unsightly accumulation of litter which must be disposed of at  
14 increasing public expense; that unlawfully discarded beverage  
15 containers constitute a significant portion of the State's solid  
16 waste stream, thus further taxing the already limited solid waste  
17 disposal options available to New Jersey; and that the random  
18 littering of beverage containers represents a profligate waste of  
19 the energy and raw materials which are used in producing them.

20 The Legislature therefore declares that it serves the public  
21 interest to provide that all beverage containers sold or offered  
22 for sale in this State have a refund value, and to provide for the  
23 convenient return and payment of the refund value of empty  
24 beverage containers; and that the deposit and refund value  
25 system hereinafter provided is consistent with the Statewide and  
26 district solid waste management plans and complements the goals  
27 and recovery targets of the "New Jersey Statewide Mandatory  
28 Source Separation and Recycling Act".

29 2. (New section) As used in this act:

30 "Beverage" means milk, alcoholic beverages, including beer or  
31 other malt beverages, liquor, wine, vermouth and sparkling wine,  
32 and nonalcoholic beverages, including fruit juice, mineral water  
33 and soda water and similar nonalcoholic carbonated and  
34 noncarbonated drinks intended for human consumption;

35 "Beverage container" means an individual, separate,  
36 hermetically sealed, or made airtight with a metal or plastic cap,  
37 bottle or can composed of glass, metal, plastic or any  
38 combination thereof, containing a beverage;

39 "Commissioner" means the Commissioner of Environmental  
40 Protection;

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

Matter underlined thus is new matter.

1 "Consumer" means a person who purchases a beverage in a  
2 beverage container for use or consumption:

3 "Department" means the Department of Environmental  
4 Protection:

5 "Distributor" means a person who sells beverages in beverage  
6 containers at wholesale to retailers engaged in sales within the  
7 State:

8 "Redemption center" means a place or a business which  
9 accepts empty beverage containers for recycling and pays the  
10 refund value of beverage containers:

11 "Retailer" means a person who engages in the sale within the  
12 State of beverages in beverage containers to a consumer at retail  
13 for off-premises use or consumption, including any distributor  
14 engaging in retail sales within the State;

15 "Sold within the State" or "sales within the State" means all  
16 sales of beverages in beverage containers by retailers engaged in  
17 business within New Jersey;

18 "Use or consumption" means the exercise of any right or power  
19 incident to the ownership of a beverage other than the sale or  
20 retention of a beverage for the purpose of sale.

21 3. (New section) a. Every beverage container sold or offered  
22 for sale in this State shall have a minimum refund value of \$0.10  
23 each when empty.

24 b. Every beverage container sold or offered for sale in this  
25 State shall be clearly identified by a stamp, label or other mark  
26 securely affixed to the beverage container, bearing the  
27 inscription "New Jersey" or "N.J." and indicating the refund  
28 value of the beverage container.

29 4. (New section) a. Every retailer shall, upon presentation of an  
30 empty beverage container, refund to the bearer the refund value  
31 of the beverage container. No retailer shall refuse to accept at  
32 his place of business an empty beverage container from a person,  
33 or refuse to pay to a person the refund value of an empty  
34 beverage container.

35 b. A retailer shall not be required to accept or pay the refund  
36 value of an empty beverage container other than those of the  
37 kind, size, and brand he sells or offers for sale; nor shall a  
38 retailer be required to accept or pay the refund value of an  
39 empty beverage container which is damaged, unclean, or which is,  
40 in his opinion, in a condition as to threaten the public health and  
41 safety.

42 c. Every retailer may prescribe reasonable hours during which  
43 he will pay the refund value on clean, undamaged beverage  
44 containers, and designate a specific area of his place of business  
45 to which empty beverage containers shall be brought. Every  
46 retailer may establish a reasonable maximum number of empty  
47 beverage containers which he will redeem at any one time unless  
48 advance arrangements to the contrary have been made. Every  
49 retailer shall prominently display notice of these restrictions at a

1 conspicuous location in his place of business.

2 d. At no time during his regular business hours shall a retailer  
3 refuse to accept or to pay to a person the refund value of up to  
4 six empty beverage containers per person.

5 5. (New section) Every distributor shall accept every beverage  
6 container of the kind, size, and brand he distributes returned by a  
7 retailer or an agent of the retailer and pay the retailer or the  
8 agent the refund value established in section 3 of this act, plus a  
9 \$0.015 handling charge, for each beverage container.

10 6. (New section) Every retailer and distributor shall, within six  
11 months of the effective date of this act, and at least monthly  
12 thereafter, submit a tonnage report to the New Jersey Office of  
13 Recycling in accordance with rules and regulations adopted by  
14 the department therefor. The report shall include an inventory of  
15 the number of beverage containers accepted for redemption, the  
16 amount of deposits initiated and collected from consumers, and  
17 the disposition of redeemed beverage containers.

18 7. (New section) a. The dollar value of any unclaimed deposits  
19 retained by a distributor shall be due and payable, on a monthly  
20 basis, to the New Jersey Office of Recycling on behalf of the  
21 department. Every distributor shall keep and maintain accurate  
22 records of every beverage container accepted for refund from  
23 retailers or their agents, and the total amount paid in refunds to  
24 retailers or their agents each month.

25 b. Every distributor shall, within six months of the effective  
26 date of this act, and at least monthly thereafter, submit to the  
27 New Jersey Office of Recycling a beverage container redemption  
28 report. The report shall indicate the dollar value of unclaimed  
29 deposits initiated by him and at the same time the distributor  
30 shall pay the full amount of unclaimed deposits due. As used  
31 herein, "unclaimed deposits" shall mean any amounts in excess of  
32 the costs of redemption, including the handling charges thereof,  
33 which have accrued to a distributor on or after the thirtieth day  
34 after which a deposit has been initiated.

35 c. Any amounts received by the New Jersey Office of  
36 Recycling as unclaimed deposits submitted by distributors  
37 pursuant to subsection b. of this section shall be deposited in the  
38 "State Recycling Fund" established pursuant to section 5 of  
39 P.L.1981, c.278 (C.13:1E-96). Moneys in the fund received as a  
40 result of the provisions of this section shall be allocated and used  
41 as provided by law.

42 8. (New section) a. A person may apply to the department for  
43 approval to establish a redemption center, subject to applicable  
44 provisions of law and in accordance with the provisions of the  
45 P.L.1987, c.102 (C.13:1E-99.11 et al.), at which consumers may  
46 return empty beverage containers and receive payment of the  
47 refund value of the beverage containers.

48 b. An application for approval to establish a redemption center  
49 shall include the name and address of the person responsible for

1 the establishment and operation of the redemption center; the  
2 kind, size, and brand names of beverage containers which will be  
3 accepted at the redemption center; the addresses of the retailers  
4 to be served by the redemption center; and any additional  
5 information which the department may require.

6 c. The department shall approve an application to establish a  
7 redemption center if it finds that the redemption center will  
8 provide a convenient service to consumers for the return of  
9 empty beverage containers. The order of the department  
10 approving the establishment of a redemption center shall state  
11 the retailers to be served by the redemption center; the kind,  
12 size, and brand names of empty beverage containers which the  
13 redemption center shall accept; and any other requirements  
14 which the department deems necessary to insure that the  
15 redemption center will provide a convenient service to the public.

16 d. The department may review at any time an approval of a  
17 redemption center. After affording written notice and hearing to  
18 the owner or operator of the redemption center, and to retailers  
19 served by the redemption center, the department may withdraw  
20 approval of the redemption center if it finds that the center has  
21 failed to comply with the conditions set forth in the order  
22 approving the center or if the redemption center no longer  
23 provides a convenient service to the public.

24 9. (New section) The commissioner shall adopt, pursuant to the  
25 provisions of the "Administrative Procedure Act," P.L.1968,  
26 c.410 (C.52:14B-1 et seq.) any rules or regulations conditioning  
27 and controlling the sale and labeling of beverage containers which  
28 shall be designed to further the purposes of this act.

29 10. (New section) Any person who violates the provisions of this  
30 act or any rule or regulation adopted pursuant to this act shall be  
31 liable to a penalty of not more than \$50,000.00 per day to be  
32 collected in a civil action commenced by a local board of health,  
33 a county health department, or the commissioner.

34 Each day during which the violation continues constitutes an  
35 additional, separate and distinct offense. Any penalty imposed  
36 pursuant to this section may be collected with costs in a summary  
37 proceeding pursuant to "the penalty enforcement law"  
38 (N.J.S.2A:58-1 et seq.). The Superior Court and the municipal  
39 court shall have jurisdiction to enforce the provisions of "the  
40 penalty enforcement law" in connection with this act. The  
41 department is authorized to compromise and settle a claim for a  
42 penalty under this act in an amount which the department deems  
43 appropriate and equitable under all of the circumstances.

44 11. (New section) Whenever an agent of the department, or of a  
45 local board of health or county health department, finds, or has  
46 probable cause to believe, that a beverage container is being sold  
47 or labeled in violation of a provision of this act or a rule or  
48 regulation adopted pursuant to this act, he may affix to the  
49 container a tag or other appropriate marking giving notice that

1 the container has been detailed or embargoed, and warning all  
2 persons not to remove, dispose, or use the container until  
3 permission is given by the department or a court. It shall be a  
4 violation of this act for a person to remove, dispose, or use a  
5 detained or embargoed container without that permission.

6 12. Section 11 of P.L.1985, c.533 (C.13:1E-99.6) is amended to  
7 read as follows:

8 11. The tax on the sale of litter-generating products imposed  
9 pursuant to subsection a. of section 6 of P.L.1985, c. 533  
10 (C.13:1E-99.1) shall [not be due and payable if, and as long as,  
11 any State of New Jersey or federal law, or any rule or regulation  
12 adopted pursuant thereto, requiring a deposit on, or establishing a  
13 refund value for, any litter-generating products shall be in  
14 effect] expire on December 31, 1991.

15 (cf: P.L.1986, c.187, s.3)

16 13. This act shall take effect 180 days following enactment,  
17 except that section 9 shall take effect immediately.

#### 20 STATEMENT

21  
22 This bill would require that all beverage containers sold in New  
23 Jersey have a minimum refund value of \$0.10 per container.

24 The bill further provides that any retailer of beverages in this  
25 State must accept and pay the refund value on any clean,  
26 undamaged empty beverage container of the kind, size, and brand  
27 he sells, and requires every distributor to pay any retailer or his  
28 agent the refund value, plus a \$0.015 handling charge, for each  
29 clean, undamaged beverage container returned. Every distributor  
30 must refund any unclaimed deposits initiated by him to the New  
31 Jersey Office of Recycling. In addition, the bill authorizes the  
32 Department of Environmental Protection to regulate the  
33 establishment of beverage container redemption centers, where  
34 consumers could bring empty containers for refund.

35 The deposit and refund value system established by the bill  
36 would complement and be in accordance with the goals and  
37 recovery targets of the Statewide mandatory source separation  
38 and recycling program required under the "New Jersey Statewide  
39 Mandatory Source Separation and Recycling Act," P.L.1987,  
40 c.102 (C.13:1E-99.11 et seq.). Accordingly, every retailer must  
41 submit a monthly tonnage report to the New Jersey Office of  
42 Recycling detailing the number of containers redeemed, the  
43 amount of deposits initiated and collected from consumers, and  
44 the disposition of redeemed beverage containers. The unclaimed  
45 deposits would be deposited in the "State Recycling Fund" to  
46 assist in the financing of county and municipal recycling  
47 activities.

WASTE MANAGEMENT

1  
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3

Establishes a deposit on beverage containers sold in this State.

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**ASSEMBLYMAN HARRY A. MCENROE (Chairman):** Good morning, everyone. We would like to commence with our hearing. This is a regularly scheduled public hearing of the Assembly Waste Management, Planning and Recycling Committee. We have myself as Chairman, and I guess the ranking Minority member, Mr. Bob Shinn, representing the Republican party. We have Mr. Duch, who will be arriving shortly. We expect also to hear from our other members, Mr. Jacobson and Mr. Franks.

We will begin deliberation this afternoon -- this morning, rather -- considering-- We have a list of seven bills on today's agenda. This is not a voting session. This is a hearing at which we expect testimony and comment on the general intention of these seven bills.

The Legislature has not considered a bottle bill -- as it is euphemistically called -- I believe, for over seven years. It is a matter of public interest, and the Legislature intends to pursue this public policy issue.

I, personally, have received over 3000 postcards in the past -- I would think -- 30 days, urging that a public hearing be conducted, and they are supportive of the institution of a beverage container deposit legislation law.

We are providing today a forum, again for comment. I expect that without delay I will prepare a capsulized version of today's hearing for the consideration of all the legislators. We, of course, will then await the preparation and issuance of the transcript of the hearing. That will be the defined word, if you will, on comment by the public. But I think that in recognition of the importance of this public policy issue, we will advise the members of the General Assembly of the hearing and what has transpired here this afternoon. I am saying this afternoon-- I guess I expect it to go on into the afternoon.

We plan also to research -- to have both our partisan and Legislative Services staffs research the success of

this kind of legislation in the nine states that presently have it, and we can draw from their experience and evaluate the circumstances in those states.

So we will begin. We have a long list of witnesses. Some are members of the Legislature. Some that are sponsors are not here. The sponsors of the particular bills are: Mr. Albohn, Mr. Shinn, Mr. Kronick, Mr. Spadoro, Mr. Martin, Mr. Duch -- a member of our Committee -- and Mr. Bryant, cosponsored by Mr. Mattison.

I will first ask the legislator sponsor of A-90, of Morris County, if he would offer testimony -- Mr. Arthur Albohn. His is the first bill listed for review.

Good morning, Mr. Albohn. You know, certainly, myself and my colleague, Mr. Shinn. Welcome.

**A S S E M B L Y M A N   A R T H U R   R.   A L B O H N:** Thank you very much, Mr. Chairman.

I have been of the opinion that perhaps bottle bills were never going to be heard from again, and as a matter of fact, I had been toying with the idea of withdrawing A-90, but instead decided to let it die a peaceful death at the end of this term. I think the crux of the story is, I guess, "I have come to bury Caesar, not to praise him." As one of the earliest sponsors of bottle bills in New Jersey -- and that goes back 10 or 12 years-- Al Matisoska and I were sort of reminiscing over the last public hearing we had, which was in my municipality at least 10 years ago, or eight years ago, something of that sort. At that time, it seemed like the way to go, but bottle bills failed to pass--

**ASSEMBLYMAN McENROE:** Excuse me, Mr. Assemblyman. Will you please speak a little louder? We had a comment from the rear that they are unable to hear you. Thank you.

**ASSEMBLYMAN ALBOHN:** Oh. (complies)

Bottle bills failed in the Legislature at that time, and as a result some of us decided to shift gears and emphasize

recycling. We then went into recycling bills and passed substantial recycling legislation that has been periodically improved, to the point where beverage container litter is now at probably the lowest point it has ever been since it was first invented.

I think now is the time not to consider bottle bills any longer, but perhaps to reemphasize our efforts in recycling, and not repeal legislation or defeat it, in effect, by calling for deposit legislation that would destroy all that we have accomplished in the way of recycling.

I don't want to go into a long dissertation on this, but I think it is perhaps significant that many of us who once supported bottle bills, now feel that recycling has progressed far enough that we should pursue it still further and not turn the clock back on deposit bills for beverage containers.

If we really want to go into deposit bills, I think there are far more sinister discharges in our environment than beverage containers. Just yesterday, for example, I read that on Sandy Hook, scavengers -- environmentalists had collected bags full of Tampon applicators. Now maybe we should put deposits on those things to get them out of the ocean.

A few weeks ago, my wife and I spent a day at Island Beach State Park. No beverage containers in sight, but run your fingers through the sand and what do you come up with? Cigarette butts. All you have to do is look at any street or any stoplight, especially at a Turnpike exit, or something like that, where people have to stop. They use the moment to empty their ashtrays. So perhaps we should be having deposits on cigarettes, to help clean up the litter they cause.

I am a member of a sewerage authority, and one of our major concerns is the hydrocarbon residuals that we find in our effluent. We know that a good part of that comes from waste automobile oil which people discard into the sanitary sewer or, even worse, into the storm drain. So maybe what we ought to be

doing is putting deposits on automobile oil, if we really want to do a cleanup job on the environment.

There are other things like that that we might consider also -- automobile oil filters. What do you do with your automobile oil filter after you have changed it? You throw it into the garbage, where it goes into a landfill, where the oil runs out of it and contaminates the same kind of property that other people are going to great lengths to remove the oil from, from leaking oil tanks or whatever, but we recklessly discard our oil filters all over the place.

Then, of course, we have paint cans, which are generally recognized as being containers of hazardous materials, whether with the solvents still present or with only the pigments present.

We have batteries of all types that are still not being recycled or removed from the waste stream, and of course we have paint spray bombs. I would love to put about a \$5 deposit on a paint spray bomb, because maybe that would reduce the amount of graffiti we see all over the place, and might make it economically ineffective to use a paint spray can for graffiti purposes.

So all in all, you know, I think a beverage container deposit bill is one of those things whose time has come and gone. I urge you to follow my lead, if you will, and withdraw consideration of these bills -- my own and others of the same nature -- and go on to other areas of recycling and environmental improvement of things that are much more dangerous and much more worthy of pursuit than a beverage container deposit bill, at a time when recycling is doing such an outstanding job of collecting these materials and reusing them.

Thank you very much, Mr. Chairman. If there are any questions or anything of that sort, I would be happy to have them. Otherwise, I will allow you to go on with the meeting.

ASSEMBLYMAN McENROE: Thank you, Mr. Albohn.

I want to acknowledge the attendance of our colleague, Assemblyman Bob Franks.

Are there any questions for Mr. Albohn?

ASSEMBLYMAN SHINN: Just that I agree with a lot of what Arthur has said. I think the focus of markets is a much more appropriate focus than bottle container legislation, whose, in my mind, time has come and gone, too. Markets are a serious problem. The possibility of imposition of fees on products that do not have markets is a serious consideration. I include newspapers, which are a more and more prevalent problem to dispose of, and I hope those deinking facilities come on-line rather quickly.

Glass is another problem. It hasn't been a problem, but it is becoming a problem because of glass manufacturers having fiscal problems.

So, I concur with a lot of what you said. You and I have worked together on bills many times. I think we have a big job ahead of us. We are not recycling enough. We've got to find out how to meet the new standards the State has imposed, and that is a big job. I don't think we are going to get there with deposit legislation, personally.

ASSEMBLYMAN McENROE: Thank you very much, Assemblyman.

I also want to acknowledge the attendance of Assemblyman Tom Duch. Mr. Duch, we have had testimony from Mr. Albohn, who had been a longtime sponsor of beverage container deposit legislation. He no longer considers that to be a viable option in the waste management program of our State.

We will now move to representation from the City of Newark. We had scheduled Mayor Sharpe James, but I understand that in his place we will have the Recycling Coordinator for the City. I believe that is your title, Frank?

**F R A N K J. S U D O L:** My title is Manager of the Department of Engineering for the City of Newark.

ASSEMBLYMAN McENROE: Manager of the Department of Engineering, Mr. Frank Sudol. Frank, I believe you are familiar with the members of this Committee. Good morning.

MR. SUDOL: Good morning, Chairman McEnroe and members of the Assembly Waste Management, Planning and Recycling Committee. This is a statement I am going to be reading from Sharpe James, Mayor of the City of Newark, which is the largest city in the State of New Jersey:

I can think of no problem in the City of Newark that gives me more distress on a continuing day-to-day basis than that of litter, which blights our streets, parks, business properties, and open spaces. Miscellaneous junk, plastic, beverage cans and bottles, and, worst of all, broken glass keep us from the kind of beauty and pride that our City needs to make people glad to visit and live and businesses eager to locate here.

To be sure, we have diligently tried in the last few years to combat the litter problem, and have taken significant steps forward. Our improvements include new street sweeping programs that have been extremely successful. So has our working inmate program for lot cleanup and our vigorous enforcement of antidumping laws. Yet, as I travel around the City, even within a few blocks of City Hall, my eyes tell me that much more needs to be done. I am sure every one of us here feels this is true.

The Clean Communities Alternative to a Bottle Bill, offered by the industry in New Jersey, has been a failure. First, there is substantially less money than the originally anticipated funds accruing into the State's Anti-Litter Fund from the litter tax, which was adopted into law with passage of the Clean Communities Act. Industry representatives projected that the tax, which they lobbied for in place of the beverage container deposit legislation, would generate \$10 million to \$15 million. Almost five years after its enactment, the

statewide litter tax is generating only \$7 million a year, about half of the optimistic projections predicted by those who have touted it as a comprehensive plan for cleaning up debris on New Jersey's roads, highways, and parks.

Approximately 558 municipalities are eligible to receive Clean Communities grants. Because of the large number of eligible jurisdictions and because of the unacceptable level of funding available, the Clean Communities Act is clearly not a comprehensive plan for litter control the way it was structured.

Another even more significant problem, is that when the Clean Communities Act was adopted and approved in 1986, disposal cost was approximately \$25 per ton. Today, disposal cost is over \$100 per ton, as we are all aware, or about four times more expensive than it was when the bill was first signed into law. Yet there has been no increase in the amount of revenue. This has resulted in continuation of a program with only about one-quarter of the effectiveness of the program first enacted.

State of New Jersey Clean Communities Act moneys earmarked for the City of Newark are welcome, but only represent a small portion of the total cleanup cost and do not have a significant role in the City's overall litter abatement and cleanup plan. In fact, while Newark is the largest grant recipient in the State of New Jersey, the grant of only about \$200,000 is less than 3% of Newark's expenditure for only its vacant lot cleanup program. Newark estimates it spends approximately \$3 million annually on litter collection.

Deposit systems provide an economic incentive for people to avoid littering and also to pick up beverage containers. This program reduces both bottle and can litter and injuries resulting from broken bottles. Removing these containers significantly contributes to the beautification of

our City, reducing litter pickup, disposal costs, and making our parks and playgrounds safer for our children.

This is one of the reasons why I am urging your support for the adoption of a beverage container deposit bill, or "bottle bill," as it is commonly called, to require a refund value on all beverage containers sold in New Jersey.

Ten states, representing 30% of the population of the United States, have adopted bottle bills, including: New York, Connecticut, and Massachusetts. I am also including California. The results have been truly worthwhile in reducing both litter and solid waste. Instead of throwing used containers away, consumers return them to stores or redemption centers for refunds. Bottles and cans that do not get littered -- that do get littered, rather; I'm sorry -- soon get picked up by our youth or others for refunds.

I am sure you remember, as I do, how as children we used to round up all the soda bottles we could find and take them back to stores in our carts and wagons for two cents each. The same sort of incentive will reapply today for our children and adults alike with 10-cent refund values to keep glass, metal, and plastic beverage containers off our lands and out of our solid waste stream.

The City of Newark prides itself on its tremendously successful and cost-effective recycling program. As Assemblyman Albohn mentioned, recycling in New Jersey is working fairly well, but not on beverage containers. Newark has exceeded a 52% recycling rate of its solid waste, and has just received an award from the U.S. Environmental Protection Agency recognizing Newark's recycling program as the most outstanding local program in the nation. Today's proposed legislation will greatly assist New Jersey municipalities to reach New Jersey's high goal of recycling, a minimum of 60% of its municipal solid waste.

Without a "bottle bill," it will be nearly impossible to meet the goal for recycling beverage container material specified by Governor Florio's Emergency Solid Waste Reassessment Task Force. A copy of page 28 is attached to this statement. The report calls for a 60% recovery of plastic containers; a 90% recovery of glass and aluminum containers; and an 85% recovery of its bimetal cans. These higher rates of recycling cannot be achieved without a bottle bill.

On the other hand, a bottle bill, if passed, will provide residents of New Jersey with an economic incentive to recycle, and therefore raise recycling rates dramatically. For example, less than 2% of New Jersey's plastic is recycled, despite the fact that New Jersey is acclaimed for its statewide mandatory recycling law. States with a bottle bill, such as New York, are recycling over 60% of their plastic. These states are also recycling over 85% of their glass, as opposed to only 35% in the State of New Jersey.

One statistic which may be of interest to Committee members, is that more than 95% of all plastic collected and recycled in the United States originates from the 10 states with bottle bills.

Some argue that the "bottle bill" would be disruptive to recycling. It is not. Deposit systems, in combination with curbside programs, can remove between 16% and 35% more from the waste stream than a curbside program alone, according to a 1989 study performed by Franklin and Associates.

Curbside collection programs are difficult and expensive in our municipalities. For example, Newark spends over \$18 million per year for solid waste and recycling collection alone. A bottle bill would reduce solid waste and recycling collection costs by about 8%. Hence, a bottle bill would save Newark -- a City with a population of approximately 275,000 -- almost \$1.5 million per year. This does not even

take into consideration disposal costs or the costs of litter removal.

Judging by results in other states, such a law will not only eliminate 90% of bottle and can litter, but will reduce our municipal solid waste by about 8%. This would mean a savings in solid waste disposal costs of over \$2 million per year just for the City of Newark. So already we are talking about \$3.5 million for one city saved per year.

Further, such a bill could be designed to provide actual revenue to the State of New Jersey. Hundreds of millions of dollars can be collected from unredeemed deposits. Deposit systems shift the costs of litter, collection, and disposal, by removing the burden from municipalities to those who produce and purchase the products that end up in our waste stream.

If the bottle bill can work in New York City, it can work in New Jersey's municipalities. Quoting former Mayor Koch, just one year after adoption of the New York State bottle bill: "The City is cleaner and, the surveys show, people have noticed the improvement. My parks and beach supervisors report that there has been a dramatic improvement in park cleanliness in the last year. There is also much less dangerous broken glass."

I am attaching for your information a brief fact sheet which details the reasons why we need to aggressively support adoption of a beverage container law.

I respectfully urge that we in New Jersey, who need the benefits so badly, take the leadership initiative and pass the proposed legislation. We need to do the right thing, in the right way.

Thank you.

ASSEMBLYMAN McENROE: Thank you, Mr. Sudol. If you would remain there just for a moment-- Are there any questions for Mr. Sudol?

ASSEMBLYMAN SHINN: I have one, Harry.

ASSEMBLYMAN McENROE: Mr. Shinn?

ASSEMBLYMAN SHINN: You mentioned a recycling rate of 52%. How are you achieving that?

MR. SUDOL: I have a breakdown of the material item by item recycled in Newark, in terms of tons recycled per year, pounds per capita recycled per year, and I will make that available to the Committee.

ASSEMBLYMAN SHINN: Do you have a curbside program?

MR. SUDOL: We have a curbside program; we have a depot; we have a program for the collection of a lot of exotic materials such as waste oil, batteries -- a number of items -- Christmas trees, white goods. We not only take the white goods and recycle the white goods, but we also capture CFCs -- chlorofluorocarbons -- for recycling, as well. I think we are the only city in New Jersey that is doing that. But I do have an item-by-item breakdown which I will make available to the Chairman for distribution to the members. I also have--

ASSEMBLYMAN McENROE: I have a question, too, if I may: The recycling of plastic beverage containers-- There is resistance in the City of Newark, and in many municipalities around the State, to the addition of certain plastic beverage containers to the number of items that we presently collect. By your testimony you indicate only 1% presently of those containers are being recycled. There is resistance to that, and yet you do encourage the inclusion of plastic beverage containers within the responsibility of a new law -- deposit legislation.

MR. SUDOL: Right, Mr. Chairman.

ASSEMBLYMAN McENROE: There seems to me to be some inconsistency there. It would seem to me that the largest city in the State, with its good reputation well-earned as a leader in recycling, should encourage, at least as a first step, the inclusion of plastic beverage containers in collection.

MR. SUDOL: We discourage the use of plastic beverage containers in all of our brochures, including our recycling brochures, which are mailed out to every household in Newark. The reason why is, the economics of curbside recycling of plastic, we think, is foolish. We found that the costs range anywhere from \$400 to \$900 per ton for the curbside collection of plastic. We think it is uneconomical to do.

We realize that plastics are recyclable. They can be recycled if they are aggregated, but who is going to pick up the collection costs? If industry assists in that endeavor maybe it will be a reality, but right now there are over 300 municipalities in the State of New Jersey that are collecting plastic, and yet less than 2% of the plastic is being recycled.

The economics are ridiculous. I, you know, would recommend to the Committee, as part of its task, that it look at the economics of curbside collection of recycling -- of plastics. Yes, they are recyclable. The curbside collection, we think, is not economically viable. With the strapped financial condition the City of Newark is in, we think to take on that responsibility would be foolhardy.

ASSEMBLYMAN McENROE: You know, we did have testimony to that effect at a previous Committee hearing, and we did have testimony by the Office of Legislative Services, wherein their objective evaluation concluded that there would not be any substantial impact insofar as additional costs to any city. We do have that being run through the Department again, to make sure that everything that they comment upon is able to be substantiated.

But my interest certainly, as Chairman of this Committee, is that I think it is an area of responsibility that we have, and it could easily include-- Certainly we want to improve the statistic -- which may or may not be correct -- that 1% only is being recycled as far as plastic beverage containers.

MR. SUDOL: Right. I intend--

ASSEMBLYMAN McENROE: Aesthetically, I mean, if the City of Newark is interested-- Your premise is that you have a cleaner City. It is your intention to provide the kind of viable environment that all of us would like to enjoy. It would seem to me that somewhere you are allowing an item that is unpleasing aesthetically, to remain a part of the everyday waste in your City. So we are working to convince, frankly, your Mayor, and your administration, that it is an area that they should look at, and collect.

MR. SUDOL: Right, Mr. Chairman. We attended a U.S. Conference of Mayors' meeting in Washington, D.C. just a few months ago, where the industry touted the Minneapolis curbside recycling program for plastics. After the presentation which was made, we ran through their numbers. It worked out to over \$900 per ton for their curbside recycling program for plastics. This is their model program. If that is the model program, cities in New Jersey don't need it.

I have copies of the statement, as well as copies of the statistical breakdown on Newark's 52%.

ASSEMBLYMAN McENROE: Excuse me, we have a question from Assemblyman Franks.

ASSEMBLYMAN FRANKS: You cited the figure "hundreds of millions of dollars" would be available in the form of unclaimed deposits. I was wondering what the components of the structural program were that would drive you to conclude that hundreds of millions of dollars in unclaimed deposits--

MR. SUDOL: I believe testimony is going to be presented later in the day on that very point. I think I do have a copy of the numbers here which would be a tremendous boost for New Jersey in terms of revenue generation and offsetting our fiscal difficulties.

ASSEMBLYMAN FRANKS: It would allow us to cut the sales tax, right?

MR. SUDOL: Exactly. I think that testimony is going to be presented later on. If it is not by the end of the day, I do have the statistics here which I can refer to, if I can quickly find the sheet. (pause here while witness finds material) The minimum in the first year is projected at \$115 million, and by the fifth year is anticipated to be close to \$400 million in terms of captured unredeemed deposits.

What I would like to do is present this as part of the record. It is an analysis that was done specifically for the State of New Jersey with a population of 7,730,188 people, with an average container consumption of 494 containers per person per year. This is an industry-projected study that I think is going to be discussed later in the hearing.

ASSEMBLYMAN McENROE: Thank you, Mr. Sudol. We appreciate your testimony.

Is the Mayor of Teaneck, Eleanor Manning Kieliszek here to testify? (no response) She had asked that special consideration be given to placing her on our agenda very early.

How about Geoff Lomax, National Environmental Law Center, and Judith Stewart? Will you both be testifying together? I think our rules permit that. (affirmative response) Will you kindly introduce yourselves to our Committee members, if you would?

J U D I T H S T E W A R T: Good morning. My name is Judith Stewart, from New Jersey PIRG. I am a Program Associate with them. This is Geoffrey Lomax, from the National Environmental Law Center. We are honored to be here today. Thank you for your time.

I am going to go first. It has been six, maybe seven years since we last heard anything about a statewide bottle bill. For years, the beverage industry -- the special interest -- has successfully lobbied against legislation in the public's interest. Today we hope that the actual, real facts will come out, that the truths about a bottle bill will be heard, so you

can make a really informed decision in what is best for the public interest.

New Jersey PIRG has long advocated deposits on beverage containers. As you can see here (witness places soda case filled with postcards on witness table), we have another -- over 1000 postcards from people throughout the State who agree with us that this is something in the public interest. The benefits resulting in states with deposits have been widely documented: decreases in container litter; decreases in overall litter; lower litter cleanup costs; and fewer injuries to children resulting from broken and twisted containers. These observations are enjoyed by a third of the population of the United States, but are denied to residents of New Jersey because of the special interests.

The rationale of opponents is simple: Why take part in recycling efforts when I can charge the naive municipality for containers they don't want or need, and then charge them again for the costs of recycling those containers?

The numerous benefits of beverage container deposit legislation have emerged over time. Not only are they an effective litter control method, they also reduce the amount of trash going to our landfills. With disposal costs topping \$100 a ton at some landfills in New Jersey, the time is now to adopt legislation which will take some of the burdens of recycling off of our strapped municipalities and put them on those who insist on using the throwaway container.

Geoff is going to go into more detail on curbside recycling. However, there have been studies saying that with a curbside program and a bottle bill in tandem with one another, yes, the costs will rise, yet less cost will be put on the municipality and more total refuse will be diverted from our landfills. You know, if that is New Jersey's goal, to recycle more and decrease our costs of doing it -- and I believe it is -- beverage container deposits should be adopted.

While recycling is good for diverting valuable material from our landfills, the bottom line is that municipalities lose money by participating in these programs. While it is a necessary burden that we all have to bear, doesn't it make sense that the industry that creates the waste help municipalities absorb the costs of recycling and take responsibility for the containers they purposely design for consumers to throw out?

Recyclers sometimes oppose deposits because some of the valuable aluminum will be diverted from their operations. Denise Lord, who is the Director of Planning for the Maine Waste Management Agency, says that scrap aluminum is not going to make or break a recycling program. Reports from the front lines of recycling, both in Maine and in states without deposit laws, bear out Ms. Lord's assessment that no curbside recycling anywhere is supporting itself out of the resale of scrap materials. According to Bruce Walker, who is a recycling manager in Oregon-- He says: "It is a myth that curbside programs need revenues from aluminum."

Bottle bills encourage recycling in low population density areas. Contrary to belief, we do have a few of those in New Jersey. Curbside collection costs to municipalities increase as people become more dispersed. We need people to take that financial incentive, such as is given with a bottle bill, and have them recycle it at no cost to government.

I did contact one small municipality in Morris County. They told me that they pay over \$1.5 million every year to get rid of their trash and their recyclables. Six-hundred-and-sixty-thousand dollars of that is from tipping fees alone. This is breaking our municipalities. You know, we need special interests to come in here and take on some of that burden.

Jobs is a big issue with a bottle bill. Workers in glass plants have been losing their jobs for years in New

Jersey. This can't be attributed to a bottle bill. Recently, as cited in "Resource Recycling," Owens-Brockway was one of the few remaining glass plants in New Jersey until it announced its closure just last month. I'm sure that if we had a bottle bill in this State, the company would be pointing fingers at it as the reason for its closure. Perhaps if we enacted legislation that would put a lower deposit on refillables, we could provide the now absent market incentive to consumers to buy glass and to help the glass industry in this State.

The decline of the glass industry in New Jersey has not been all bad. It has given way to an explosion of growth in the plastics industry. Wellman, Inc., located in Shrewsbury, New Jersey, is the nation's largest recycler of post-consumer plastics. Wellman relies on the nine states that have enacted deposit legislation for much of its plastic supply.

In fact, in a recent conversation I had with Dennis Sabourin, who is a Vice President at Wellman; I was told their main source of PET plastic comes from deposits and deposit systems, because they give them the best material. It is source separated; it's clean. According to a 1987 Wellman prospectus:

"The availability of used PET bottles for recycling is dependent on deposit legislation. The continued and increasing availability to the company of PET bottle material is key to the company's present and future success."

We want to encourage growth in this State. We need a bottle bill.

Recycling rates: Anheuser-Busch will probably come up here and tell us that 60% of all aluminum cans and 20% of all plastic and glass bottles are recycled in the United States. That's great, but it is too bad that 80% of this effort comes from the 30% of residents who live in deposit states. Too bad Anheuser-Busch can't brag about New Jersey's specific rates.

Despite the beverage industry's lack of participation in New Jersey's recycling efforts, New Jersey recycles more than most other states; somewhere between 43% and 44%. Yet we are still recycling below the national average of 58% for aluminum and 19% for plastic. Municipal recycling, the kind that you and I do, is only at 25% in New Jersey, and that is only half of the glass containers, less than half of the aluminum containers, and practically none of the plastic containers. Recycling is great, but it is obviously not as good as it should be, and that is with the mandatory law in this State.

Opponents of deposits will say that a bottle bill will only target 2.5% of municipal solid waste. Of course, landfills should be measured by volume. The truth is that closer to 8% by volume of solid waste is made up of beverage containers. That is 8% taxpayers won't have to pay outrageous fees to dispose of.

The beverage industry will say that a bottle bill will lead to increased costs to consumers. In a "Resource Recycling" article from March 1991 about refillables in Canada: "The Ontario Soft Drink Association and an employee of Pepsi Cola in Canada, recently stated that one of the main selling points of soft drinks sold in refillables was the 30% cost savings to consumers." If these beverage industries really cared about consumers, they would be selling us refillable containers.

In a quick price survey done by myself in New Jersey, I compared the cost of 16-ounce refillables versus 16 ounce nonrefillables -- eight of these to eight of these. (demonstrates different types of bottles) These were a dollar more expensive. These were 29% more expensive, not including the deposit in this State.

A report done by the University of Maine on deposit legislation was sponsored by the National Food Processors

Association, an opponent of deposit systems. Even this study notes that added costs from a deposit system have not necessarily been passed on to consumers. It doesn't have to be that way. It is up to the special interests. They are deciding that they are not going to take part, so they are going to punish us by charging us more.

I just want to point out one thing: I think it is important that we get some kind of a visual effect. One of these bottles (demonstrates) in a good system can be refilled up to 20 times. This is 20 containers. Wouldn't we rather be only using one of these than 20 of these? Okay, well great, we are recycling 53% of our containers. Still, only half of these are going to be recycled. The other 10 are going to be going to a landfill. If we are really concerned about cutting down on our waste, reducing, reusing, we need to go back to refillable containers. It is not going to end up losing jobs in companies. It is going to ask for a transition. There may not be as many bottle manufacturing companies. There will be more bottle-washing companies. You know, that is the kind of future we need to have in New Jersey.

Beverage container deposits were first enacted as a means of litter control. They have been, and continue to be, an effective litter control measure. Again citing the United States General Accounting Office study, total reductions in beverage container litter ranged from 51% to 83% by piece, with a resulting 40% reduction in total litter. On the average, 85% of all containers are redeemed for a deposit. Remember, we are comparing that to 53% of glass in this State, 44% of aluminum cans, and less than 1% plastic containers that are currently recycled here.

You know, even despite mandatory recycling, New Jersey's beaches are littered with cans and bottles. Two weeks ago I was at Point Pleasant, and despite this ban people took bottles onto the beach. Trash cans were full of these bottles,

and there were no recycling receptacles to be seen. I mean, it doesn't take a genius to realize that some of these bottles aren't going to land in trash cans. They are going to end up causing injuries, most likely to children. It is no wonder New Jersey exceeds the national average for container litter on its beaches. We don't have a bottle bill.

In closing, the beverage industry will get up here and tell you the citizens of New Jersey do not want a bottle bill, as evidenced by the outcome of the Mercer County initiative in 1988.

The quote: "Mercer Citizens for Recycling raised over \$545,000 to defeat this sensible legislation, over half of that total coming from out-of-state contributors." It doesn't sound to me like New Jersey citizens oppose a bottle bill. It is the special interests out there, out to make municipalities spend more for disposal and recycle less than we could.

The facts are finally being heard in New Jersey. Consumers are going to benefit by less litter, lower disposal costs, and increased recycling if a bottle bill is enacted. It is time for the legislators to stand up against the special interests and do what is best for the public interest. We need a bottle bill today.

Thank you.

ASSEMBLYMAN McENROE: Thank you, Ms. Stewart, very much for your testimony. You raised some interesting points. Some we should question you on.

I'll just ask you-- First, on the beaches of New Jersey, it is my understanding, and it is based on some discussions and policy that I am aware of-- On the beaches of our State, a recycling effort is made. They may be collected with the regular trash, but they are not disposed of in a landfill, or whatever the appropriate measure is. The cans and bottles are certainly removed from the waste collected from our beaches prior to disposal. They are disposed of in an

environmentally sound collection system. So they do not find their way into the main waste stream of communities.

MS. STEWART: Well, I am not necessarily saying they are being thrown out into landfills. But the point is, you and I are paying for separating those, recycling them. Why can't we have the consumer who has bought this take it back, do the recycling for us, and then have the industry take responsibility for it?

ASSEMBLYMAN McENROE: Well, part of the interest of this Committee in this policy proposition, you know, is measurement of the public's interest in deposit legislation; the potential for additional expense it provides, and the circumstance of the convenience or the support of the public for their own particular collection and return of the bottle or the can. So that is what we are doing here today: determining public interest in whether there is sufficient support for this kind of a new direction.

Mr. Lomax, do you wish to comment?

G E O F F R E Y L O M A X: Yes, sir.

ASSEMBLYMAN McENROE: The floor is yours.

MR. LOMAX: Thank you, Mr. Chairman, members of the Committee. If you would all like a Pepsi, by the way, I would like to encourage you--

ASSEMBLYMAN McENROE: I know you are enjoying warm Pepsi, and I really appreciate that at 10:00 in the morning.  
(laughter)

MR. LOMAX: I am a Staff Scientist with the National Environmental Law Center. Our organization is dedicated to environmental policy and litigation, and we serve as a national backup center for the State Public Interest Research Group. Much of my work on solid waste issues is focused on legislation dedicated to reducing the waste stream and prompting recycling. I would really just like to focus on two points today with regard to the bottle bills, because a lot of them

are going to come out, but to really bring it down to, I think, two issues that make us put it in the forefront of a waste reduction recycling strategy; that is, effectiveness and compatibility.

I have given you all a packet there, and I will give one brief just kind of warning here: Beware of statistics. I have tried to keep statistics to a minimum. But the first chart there reiterates the point Judith made that bottle bill states are getting the job done on recycling. You know, why do they work? What is going on there?

Bottle bill states have a system where containers come back through a system where the materials are source separated; they are clean. When you return a bottle to a retailer, it has to be clean. Retailers don't like yucky bottles. That is a very important thing to note up-front. That is particularly relevant to glass. Clean collection is essential -- color separation and clean.

There has been a lot of discussion about curbside. When you return glass containers, for example, through curbside, you end up with a lot of breakage. You end up with a lot of mixed color contamination. A lot of that material will not get recycled into new containers. If we are fortunate, it may go into some low value end use, such as being incorporated into road surfacing material, but it is certainly not going back into new containers. If you look at where the material is coming from that is being recycled into new containers, it is coming from bottle bill states, and historic data will support that.

So the combination of clean and source separation means that materials are going to get recycled. That also holds true for some of the plastics. The only real economical way to collect plastic currently to avoid these kinds of \$800-per-ton fees that we have heard quoted through curbside programs, is to mash them all together in a truck and grind

them up; that is, your soft drink plastic, your detergent bottle plastic. The bottom line is, you end up with a material that has a much lower recycling value in the marketplace, and therefore you are seeing reduced revenue from curbside. Because of it, it requires more processing, more separation. So, it is effective. It gets the stuff in in a way that fits the recycling equation.

The second point I would like to raise is compatibility. I have briefly outlined a number of points on the second page there; I think the key points. And then on the following page, I want to make an important point that tends to get overlooked when we talk about bottle bills and curbside recycling. There is a graph there that talks about the total diversion from the waste stream under a bottle bill strategy combined with curbside recycling and a curbside strategy alone. I think an important point to really remember when you are looking at total diversion, which is what the goal of New Jersey is when we are talking about figures such as 60%, is that curbside recycling will get "X" amount of stuff. Whether that is bottle bill containers, magazines, whatever you target, you get "X" amount of stuff. The truck is full. You drive it back to the facility, separate it out, and send it to market. The goal of that program is to divert as much material as possible from landfills and incinerators. That stuff is expensive to dispose of. We're talking about \$100, plus tip fee.

Now, the bottle bill takes a chunk of that material and eliminates it from the program. No one deals with it; no one spends any money to put it in a truck. It is out of the equation. Therefore, that truck can then target other materials. Now, in New York, for example, there was a recent study put out by the National Soft Drink Association, in fact, that points to this fact. They talk about-- They compared two curbside programs and they showed that, in fact, in New York, a

bottle bill state, there is a greater net diversion because the curbside program is pulling out newspapers and magazines and other mixed paper, which, referring back to the Management Report from the Task Force, is targeted as part of New Jersey's waste diversion goals.

So, I would submit to the Committee today that as a combined strategy, you are going to get a total diversion that is greater than any single strategy, and that is, I think, the real key that tends to get missed. There is on one of the pages -- on the first page on the back -- a research piece that I think summarizes very quickly in the abstract there the point-- It was done by-- It was a University of Cincinnati study to show that a combined strategy is what gets the most material, and that is an important point not to lose sight of.

I think the economic impacts of that can be quite significant. I don't want to throw out a lot of figures here and suggest that they will result in "X" million or "Y" million. I have included the testimony from the City Manager of the City of Cincinnati, who testified at a bottle bill hearing as to what he felt the impacts would be for the City of Cincinnati, assuming that major metropolitan areas are somewhat comparable. But again, I don't want to extrapolate too much.

I just want to touch on one point. I know Pat Franklin, who is going to testify later, will bring this up. You have heard a lot about aluminum. I think it is important to remember all the reasons that aluminum is good for curbside programs. Right now, glass isn't. I guess the joke used to be that the highest points in New Jersey were its landfills. I think the new high points in New Jersey are the piles of green glass that are piling up outside of recycling centers. When people try to tell you about the money that is coming into curbside programs -- or coming into curbside through revenues, look very closely at those figures. Look at the values that are being assigned to green glass, for example. Currently, the

value of that material going to a processor in the Northeast is zero. So, green glass is a negative source of revenue.

Plastics-- At the same time, we have heard testimony that people are not getting rich off of plastic, and curbside programs are costing a lot to collect. I am glad to hear that you all are going to take a close look at those numbers. I really encourage you to particularly pay attention to the numbers that are being cited for revenues for curbside programs. I think they are overly optimistic, and upon a hard look we will realize that it is very optimistic to suggest that pulling these containers out through an alternative strategy will result in greater net costs to the cities and counties. I think that upon a hard look you will see, in fact, that it is total diversion which is really the beauty of the bottle bill, and that is what counts to the cities.

I touch on reusables again on a figure there. I just mention the price difference, which I think Judith touched on. One other point on reusables which this example sort of shows-- The Task Force report talks about reducing the waste stream. I have spent a lot of time looking at how one goes about reducing the waste stream. I talked to a lot of people in a lot of different places. There are not a lot of good ideas out there. People say, "Oh, reusables." Reusables are a pure source reduction tool. If you create a system in which the consumer is returning materials back to the point of sale, you are going to stimulate a lot of innovation around reuse. I don't think it is going to come down just to glass bottles. There is a lot of innovating new plastics out there. There is a lot of innovation that can occur around the reuse issue. If you are talking about reducing the waste stream, then reuse is a strategy that we really have to grab a hold of and find ways to promote. The bottle bill is the ideal mechanism for stimulating reusable containers.

I would like to wrap it up. One other comment, though. I believe the first speaker, Mr. Albohn, talked about why don't we take other materials back. From an environmental policy perspective, we would certainly encourage deposits -- universal deposits -- on all containers. But quite frankly, it certainly doesn't make sense to bring used Tampons or old tuna fish cans back to the point of sale. It is just not a practical thing to do. We would certainly support deposits on batteries and other materials in the waste stream. It is an outstanding strategy for getting those materials out. But one reason you do target beverage containers in these materials is that they are very practical to return. They can be returned clean and safely to the point of sale and result in the benefits which I have referred to in my testimony.

On that note, I thank you for your time.

ASSEMBLYMAN McENROE: Thank you, Mr. Lomax. I have a question: New Jersey, I think with some effort, from this Committee's perspective, has established itself as a State that is progressive in view of the recycling lobby, if you will. You are someone with a national perspective. How would you summarize New Jersey's experience over the past three years, particularly in the area of plastics? I don't want to be a spokesman for the plastics industry, but, although we don't do a reasonably good job in the collection of plastics, there has been a substantial increase in the collection of that material over the past three years.

Let's for the moment presume, because at present we do not have a deposit law in our State-- Are we succeeding somewhat in our recycling efforts, from your perspective?

MR. LOMAX: Oh, certainly; yeah. We have looked very closely at New Jersey and actually have used the Task Force report and cited it in a number of other states, and actually in the RCRA hearings, as a model for what other states could, and might be doing, in particularly the recycling area, in order to reduce the total amount of material for diversion.

I would commend New Jersey for really taking a lead in that area because it is tough to target that much material and get it out of landfills and incinerators and into recycling programs. I have followed the situation fairly closely in Newark.

And, again, back to the plastics: What you're really finding out is that this stuff comes at a price. So back to the point I tried to emphasize up-front -- to the extent that you've got alternative mechanisms out there that are going to pull materials out of curbside programs, realize the same benefits to the State and the municipality at zero cost -- those strategies should be pursued aggressively, or at some point you're going to hit a cutoff where you're not going to get all the materials targeted. You're going to have to come back from some of the goals put out in the Task Force report. You're not going to get 90% of the containers, so-- Unless someone invents a mousetrap that's so great in its ability to grab all this material out of the waste stream, I don't see how you can do it. There's no silver bullet. We're talking about combinations of strategies that result in greater diversion, and no single strategy, to date, shows any indication of being able to get it all, unless you get into costs per ton, that are so out of the ballpark it's just not going to happen.

ASSEMBLYMAN McENROE: But how about this concept of collection coming with a price? Now, how about if we impose deposit legislation in our State? Will that come with a price for our consuming public, because there are, I think, statistics that indicate that not every deposit is refunded? Will there be an accompanying price for this cleaner environment that we'll assume we'll have from a deposit law?

MR. LOMAX: There are certain points in the equation where you look at costs. You look at diversion; you look at costs of collection; you look at costs of the program; costs of manufacturers and distributors. There's been a number of

studies that have tried to look at pieces of that equation: what it cost the beverage industry, what it's going to cost the curbside industry. I can't sit here and say we can pull together all those costs and give a bottom line for what it will cost, or save, the citizens of New Jersey.

I can submit supporting data reports that have looked at each individual point in that process, and show some costs are avoided; some costs are increased. And to the best of my ability, I would provide information to the Committee for review. We can do further analysis in that area we've conducted. We feel, certainly, on the retail side, that there is a sufficient body of evidence out there that suggests that costs could decrease. You've got to look at that whole equation and that, to date, has not been done in a way that I can stand up here and give you a bottom line and say, "Here's the cost to New Jersey."

ASSEMBLYMAN McENROE: Thank you. One other question: The refillable bottles in front of you-- I'm sorry, they're the ones. Now, what is the deposit--

MS. STEWART: These are a nickel deposit.

ASSEMBLYMAN McENROE: Is that from New York State?

MS. STEWART: No. I bought these in New Jersey.

ASSEMBLYMAN McENROE: In New Jersey, okay. Now, the case-- That has a refund value also?

MS. STEWART: Yes.

ASSEMBLYMAN McENROE: On the floor, yeah. Now, what is the refund on that?

MS. STEWART: That is \$1.30 for the case.

ASSEMBLYMAN McENROE: A dollar thirty for the case, and then five cents on each bottle?

MS. STEWART: Right.

ASSEMBLYMAN McENROE: So, 24 bottles. So it would add to the purchase price \$1.20, and another dollar, \$1.20?

MS. STEWART: Right, but you're going to be getting that back when you return the stuff, so--

ASSEMBLYMAN McENROE: I just think it's important that we provide that.

MS. STEWART: You're not losing anything.

ASSEMBLYMAN McENROE: Any questions from members of the Committee? (no response) Thank you for your well-prepared and thoughtful testimony.

MS. STEWART: Sure. I hope all of you will remember this (indiscernible, as witness distributes soda bottles to Committee members)

ASSEMBLYMAN McENROE: I don't know whether we can take something like this. We'll have to vote on it. (laughter)

We'd like to hear-- We had planned to hear from Assemblyman George Spadaro, but in his absence I understand his Legislative Aide, Arthur Cifelli, is here. Would you like to submit-- Mr. Spadaro had advised us that he was anxious to provide early morning testimony, but he's been called to--

A R T H U R C I F E L L I: Called into court -- into Federal court.

ASSEMBLYMAN McENROE: Called to court to defend another party, not his own activity. Okay.

MR. CIFELLI: To defend another party, not himself.

ASSEMBLYMAN McENROE: Mr. Cifelli, good morning. Welcome.

MR. CIFELLI: Good morning to you, Mr. Chairman, and members of the Committee. I'd like to talk briefly, if I may, about a couple of areas that have been touched upon earlier -- litter reduction, energy resource savings, public awareness, economic input, and packaging.

A deposit on beverage cans and bottles will reduce pollution and conserve energy. New Jersey needs a law that brings back something that worked very well in this State for many, many years, and that's a financial incentive for

consumers to treat beverage containers as a recyclable and valuable commodity.

A little bit about "litter reduction." I know Mr. Lomax doesn't like statistics, but studies show that beer and soft drink containers comprise 4.1% of the municipal solid waste stream, and more importantly, that beverage containers represent 10% to 20% of litter by weight and 40% to 60% of litter by volume. We know from experience that deposit laws reduce total litter. In Iowa, for example, beverage container litter has been reduced by 78%, and the total litter has been reduced by 3.1% by volume. In Maine, beverage container litter has been reduced by 56%, and in Michigan the number of cans along the roadside is down 78.4% and bottles are down 51.1%. In Oregon, beverage container litter is down 83%.

On the other side of the equation, we can save energy by recycling containers made of glass and aluminum. The energy saved by making the can from recycled aluminum saves 95% of the energy that would be needed to make an aluminum can from virgin material. According to the Glass Packaging Institute, a trade association representing the bottle manufacturing industry, for each 1% of recycled glass contained in a bottle, one-quarter of 1% of the energy that would be required to reduce a bottle from virgin material is conserved. So a bottle made of 25% recycled glass would save 6.25% of the energy that would be required to make a bottle of virgin material.

Public awareness is also an important issue that we need to look at. New Jersey has a strong, indeed unmatched, record in curbside collection. It also has a moderately successful Clean Communities Program for addressing litter problems. A refundable bottle deposit law, though, has a component which neither of these programs provide, and that is a basis for consumers to be directly responsible for their consumption patterns and waste management practices. Homeowners place bottles at the curb, just as they do their

trash. They never see the economic value of their source separation activities. In fact, many do not feel compelled to source separate recyclables from the rest of the waste stream. A deposit law would show people firsthand, that items in their waste stream have an economic value. It would provide a powerful incentive for people to separate beverage containers from their trash.

Curbside recycling and deposit systems are wholly compatible. Together, these programs can reduce municipal solid waste more than either program will alone. In fact, recycling centers could redeem beverage containers that individuals recycle through curbside programs, thereby increasing the scrap revenue from beverage containers collected in curbside programs.

As odd as it may seem, every state that has a deposit law has some form of curbside or other recyclable program, in addition to their beverage container deposit systems. In those states, environmental officials will tell you that the deposit system works with, not against, curbside recycling.

A study reviewed by the United States General Accounting Office shows that there's no correlation between a bottle bill and a drop-off in beverage consumption. In states where deposit laws are in effect, support among the public is quite high, as poll results show that more than 80% of the respondents either approve or strongly approve of their state's deposit system. So it is unlikely that consumer preferences with regard to beverages will be changed by the imposition of a deposit system.

Beverage consumption is affected by prices and other factors, such as DWI laws, and changes in attitudes towards health and weight. All of these factors must be considered even when we examine the arguments that bottle deposit laws increase prices of beverages. Evidence also exists that container deposit laws produce new jobs in the retail and

transportation sectors. The deposit system requires that people manage money and transport clean and used beverage containers.

Still, as we review these bills before the Committee, I would urge the Committee to explore thoroughly and carefully the arguments concerning the economic implications of deposit systems, so that the effects of the current national recession upon New Jersey are not aggravated by the actions we take.

In regard to all packaging, we should also be mindful of the relationship between deposit laws and laws concerning other types of packaging. Waste audits conducted throughout the United States show that 27.5% of the waste stream is composed of packaging other than beer and soft drinks.

To ensure that beverage producers and wholesalers don't get around the deposit requirement by distributing beverages in nonrecyclable containers, the legislation being considered by this Committee should prescribe limits on the content and recyclability of nondeposit packaging as well.

Mr. Chairman, and members of the Committee, I thank you for giving me the time to speak here, and on behalf of Assemblyman Spadoro, I'd like to thank you for considering this very important public policy issue.

ASSEMBLYMAN McENROE: Thank you, Mr. Cifelli.

MR. CIFELLI: Thank you, Mr. Chairman.

ASSEMBLYMAN McENROE: Would you extend to the sponsor our best wishes and appreciation for your testimony?

MR. CIFELLI: I will.

ASSEMBLYMAN McENROE: Are there any questions for Mr. Cifelli before he leaves the chair? (no response) I guess there aren't. Thanks again. We appreciate that very much.

ASSEMBLYMAN McENROE: Charles Connelly, Plastic Recycling Corporation of New Jersey, indicated he'd prefer to testify. After Mr. Connelly we'll hear from Mr. Mathesius from Mercer County.

Okay, why don't we allow Mr-- The County Executive of the County of Mercer, Bill Mathesius. Good morning, sir.

C O U N T Y   E X E C U T I V E   B I L L   M A T H E S I U S:  
Thank you, Assemblyman. It is a pleasure to appear before you and this Committee. I don't bear any gifts. I don't come with any plastic hanging on me. I don't have postcards, bottles, plastic devices of any kind. I just appear before you today as the County Executive of Mercer County, in which you are all presently sitting, and I congratulate you for your choice.

I'm a Republican. I should start out by noting that, because I like the idea of less involvement of government in my life. So that's just an aside as it relates to the bottle bill. The secondary proposition with respect to the bottle bill is, in Mercer County we have had experience with people on both sides of the issue, and I come here representing neither side, per se. I'm not a hired gun for bottle people, or I'm not a hired gun or-- I don't appear with the zeal of the PIRG people, who seem to be fascinated by this subject and are at you people, and everybody else, to take care of bottles.

I do have the experience of studying the issue, because it was presented in the Mercer County election some years ago to the people of Mercer County. And in doing so, I was then -- as you are now -- deluged with facts, factoids, figures, percentages, logarithms, hyperboles, street theater legislative activity, demonstrations -- all of these things that people think other people should be convinced by, or with.

I tried to do an independent analysis because it was an election year, as it always is in Mercer County and the rest of the State of New Jersey, and I determined that in light of all of the complications, all of the factors involved, the supposed clean streets that would result versus the impositions on senior citizens, the problems of the finances, the red tape, the fears of vermin doing one thing or another -- as vermin will or do in bottle states-- I called other states whose

representatives told me it was good, it was the worst, and I quote, "Goddamned thing we have ever done in the State of--" in a northern state, I'll say. So there's mixed reviews. We don't have a uniform approach to what good -- what beatific results can come from the bottle bill.

I do know that I argued it, debated it with Senator Stockman, had a tremendous number of people coming to me to demonstrate that we should be on one side or another, and I argued against it -- at long last -- after realizing that all things considered, it was not a good idea in Mercer County. And I say that with the history of two years behind me when we are now the number one recycling county in the State of New Jersey. So I have a little background of the result of what has happened in light of the voters' rejection -- and that's what we do have. We have the voters' rejection in Mercer County, which I think is the most important factor. We had advertisements, we had bumper strips, we had people going around on both sides of the issue making it a campaign issue. It was resoundingly rejected by the voters of Mercer County -- and with good cause and with good reason -- and I applaud their sense in doing so.

I am not going to join the collection of people who will present you with poundages and tonnages and weights of how much bottles take up or how much they don't take up, how much it carries, how much is involved to carry bottles from one place to another, the impositions on our senior citizens. I just come before you as a representative, even as you are, of the people who have, in my view, rejected the proposition with good cause.

I understand that it makes the PIRG people unhappy that this happened, and I can understand after investing a great deal of time collecting petitions and circulating information and getting it on the ballot, that a rejection -- that losing is a hard thing to do. But I think the judgment of

the public should be alluded to, and should be underscored. The public made a wise choice, and I'm just here to indicate that I think they made the best choice, all things considered. I do not think all of the aggravation, all of the expense, the bureaucratic red tape, all of the complications that will redound from a bottle bill, are worth it.

And that's the bottom line. I'd be happy to answer any questions about that position.

ASSEMBLYMAN McENROE: Thank you. We appreciate your taking the time to be with us today.

Any questions from members of the Committee for Mr. Mathesius? (negative response) Thank you, sir. We appreciate your coming here before the Committee.

MR. MATHESIUS: Thank you very much.

ASSEMBLYMAN McENROE: Thank you.

We'll now again call on Charles Connelly -- Charles E. Connelly, Plastic Recycling Corporation of New Jersey. Mr. Connelly?

C H A R L E S E. C O N N E L L Y: Good morning, Mr. Chairman and members of the Committee. I've addressed the Committee before so I won't go through the history of our corporation, although I'll be happy to supply information to anyone who wants it.

We work with New Jersey's counties and municipalities in helping them to--

ASSEMBLYMAN McENROE: I'm going to ask you to speak up a little to--

MR. CONNELLY: --in helping them to include plastic in their recycling program and we focus on plastic beverage containers. We're opposed to deposits on beverage containers for a couple of reasons: First of all, you've mandated that municipalities must operate recycling programs and that they must include three materials in those programs. The ability to market that material is dependent upon the development of a

critical mass that's sufficient to interest a market in the material coming from that point. If you divert material from that program, the obligation to continue to operate the program is still there. The truck still has to go around to each house and pick up whatever they put out, but there's going to be less material collected because part of it is going to be going through an alternative system. The excess that is not returned in the deposit system ends up going to a landfill, because ultimately municipalities will drop the recycling of certain materials because there's not enough material there to make it worthwhile.

The second problem is that the money from recycling comes, first of all, from aluminum. The second most valuable material is plastic, and the third most valuable material per ton is clear glass. A lot of that material is going to be removed from the town's program, so the revenue that's generated from that program is going to be reduced and ultimately cost the taxpayers more money because of less revenue offset.

ASSEMBLYMAN McENROE: Are you proposing that if we impose deposit legislation that it would cripple recycling in New Jersey?

MR. CONNELLY: That's my point, because you're going to take materials that are currently generating revenues from municipalities, or in the case of municipalities which are paying for somebody to take their material generating the cost offset. So the cost of moving the material in the recycling program is going to be higher, because you're going to be taking valuable material out of that program and handling it through a different system.

I'd like to comment on a couple of points that were made in previous testimony. On the point that less than 2% of the plastic in New Jersey is being recycled-- That refers to all plastic, not the plastic that's addressed by this

legislation. In the case of plastic beverage containers, more than half the municipalities and more than half of the population in New Jersey, are recycling plastic beverage containers through municipal recycling programs at a rate of 24%. Now, if you extrapolate that and say all the towns recycle it, then you can say it's going to be recycled at 50%. Whether it, in fact, works out that way, I don't know. But the point is, while the rate for all plastic at the time the figures were available -- when the Task Force report was done -- was, in fact, less than 2%, the rate for plastic beverage containers was 24%.

Another comment on previous testimony that I would like to make is the point on the hundreds of millions of dollars generated by unredeemed deposits. You have to decide whether you're looking here at a solid waste management policy, or if you're looking at a new tax. The only way you're going to generate significant funds from unredeemed deposits is if the deposit system doesn't work and people don't take their bottles back. Those bottles that aren't taken back have to be disposed of in another manner. So, if what you're looking for is hundreds of millions of dollars, then the way to do it is to implement a deposit system and hope that nobody ever takes bottles back. That's not a solid waste management program; that's a way to raise money.

On the collection economics issue, our corporation had a study done by Temple, Barker and Sloan, a Washington-based economic consulting firm that does work for the Federal EPA. We've provided that study to the Committee previously. It looks at some New Jersey towns and concludes that there is, in fact, a positive economic impact. It's not a large positive impact, but it's positive, and that's based on New Jersey towns.

In addition to that, the Office of Legislative Services has concluded that the economic impact on plastic

recycling is negligible short-term and slightly positive long-term. The figures that have been cited to you today are on programs that are not in New Jersey. I don't know the details of those programs and I can't really comment on those figures. But we have provided previously, to you, information that indicates that in actual New Jersey towns, the economic impact is slightly positive.

I'll be happy to answer any questions that anybody has.

ASSEMBLYMAN McENROE: Thank you.

Are there questions for Mr. Connelly from members of the Committee? Mr. Shinn?

ASSEMBLYMAN SHINN: Existing facilities that are involved in recycling-- Can you give us an update on-- I know of Waste Management and du Pont and Union Carbide. Can you give us an update on where they are in their programs?

MR. CONNELLY: Well, yeah. Diane's going to testify. She's from Union Carbide, and she's much better prepared to do that than I. So if I could defer to her, I would appreciate it.

ASSEMBLYMAN SHINN: You're here to tell us that there are active markets for plastic beverage containers.

MR. CONNELLY: Absolutely. There are 325 municipalities recycling it now. All of the material is moving to a market. The point that was made about taking all plastics, mixing them together, grinding them up, and trying to sell them, is a valid one. The market for that kind of stuff is not good, but that's not what the towns in New Jersey do. They collect whole bottles. They go to a material recovery facility, they're sorted out, baled up, and sold. So, in that case, the market for PET, which is used in soft drink bottles, high density polyethylene used in milk bottles, and high density colored polyethylene used in detergent bottles, is good. Going beyond that, the markets are more problematic, but for those materials and the materials that would be covered by the legislation under consideration today, the markets are good.

ASSEMBLYMAN SHINN: Can you characterize for us the pricing history -- commingled and PET and HDPE? Is where they've been and where they are now, relative to the value for the municipalities, and what do you see in the future from where you sit?

MR. CONNELLY: Yeah. The pricing dynamics for high density polyethylene are different than they are for PET. A lot of the PET is-- Some of it goes into soft drink bottles; a lot of it goes into polyester fiber which is used primarily for carpeting. Consequently, the value of the recycled material, in the case of PET, is more closely related to the polyester fiber market than it is to the virgin PET material market. In the case of high density polyethylene, the value is related to virgin material. Now, in looking at PET, the polyester market, right now, is down, and it's down because home building is down, and the economy is down, in general, and people are buying less carpet. Still, PET, in baled form, is sold for five cents to twelve cents, depending upon the quality level of the material, the level of contamination in the bale, and so forth. That price is lower than it was a year ago, on average.

However, as the economy improves and people build more homes and buy homes and redecorate them and things like that, the demand for carpeting goes up and so the price of that material will increase. I then see polyethylene prices are moving up right now because the price of virgin high density polyethylene is moving up. So there's certainly some fluctuation in the prices. In the last three-and-a-half years that we've been working with municipalities in New Jersey, we have seen no time at which any of those prices were negative, and at the moment they're trending in an upward direction.

ASSEMBLYMAN SHINN: The commingled market?

MR. CONNELLY: The commingled market is a different market because that is one where somebody has to sort the material out after they buy it, and the price is less because

you've got to pay somebody to do that. And, typically, that kind of material sells for about five cents a pound.

ASSEMBLYMAN McENROE: Thank you. Mr. Connelly, in your testimony, you indicated that 24% of the plastic beverage containers which are collected in 50% of the municipalities across the State are recovered.

MR. CONNELLY: No. That may be what I said, but 50% of the containers collected where there are-- We collect 50% of the containers in towns where there are programs-- Fifty percent of the towns are collecting, so the statewide rate, including the towns that don't collect, is 24%.

ASSEMBLYMAN McENROE: Twenty-four percent, but it could easily increase to 50%, in your view, if all the towns collected. Yeah.

MR. CONNELLY: Well, if-- Yeah, if you could extrapolate that.

ASSEMBLYMAN McENROE: Well then, the follow-up to that really is, what is the-- In the absence of a mandatory law in our State, what is the industry doing, or what can we anticipate the industry will do, to encourage those other recalcitrant towns around the State of New Jersey to participate, and in the absence of our activity, what is the industry doing to solve that problem?

MR. CONNELLY: Well, we're doing the same thing we've been doing for the last three years, so--

ASSEMBLYMAN McENROE: How well are you succeeding?

MR. CONNELLY: Well, when we started, there was, in 1987-- At the end of '87, there were three towns recycling plastics, and today there are 325. And we do that by providing a range of capital and technical and public education of systems to counties and municipalities to assist them in incorporating plastic in their programs. We're doing that now, and we intend to continue doing that.

ASSEMBLYMAN McENROE: So you're submitting testimony that the industry is involved, is committing capital funding to these projects, and is, on a regular basis, encouraging communities to collect certain plastic containers.

MR. CONNELLY: That's correct, and we intend to continue doing that.

ASSEMBLYMAN McENROE: Okay. Thank you very much. I appreciate your testimony.

We have Pat Franklin, Director, Container Recycling Institute. Good morning, and members of the Committee-- I believe you're familiar with Mr. Franks, Mr. Shinn, myself. Mr. Duch had to step out for a moment.

P A ' T R I C I A F R A N K L I N: Good morning, Chairman McEnroe, and members of the Committee. My name is Pat Franklin. I'm Executive Director of the Container Recycling Institute, a nonprofit research and public education organization located in Washington, D.C. We study container and recycling options and we have done considerable research on the issue of compatibility of deposit systems and curbside recycling efforts.

I've set myself four bases. Actually, I initially said I wanted to cover three bases this morning; I've just added another one after some of the comments from some of the people who testified before me. And I think what I'd like to do is just address four comments that were made just a few minutes ago, rather quickly, if I could.

The question was asked of the gentleman that just spoke-- I think the question was asked what the prices were for plastics. And I would like to address the issue of PET, because I had a conversation with Mr. Dennis Sabourin, who's Vice President of Wellman, Inc., whose office is located here in New Jersey -- in Shrewsbury, I believe -- asking him that very question. And according to Mr. Sabourin, the going price for PET, the soft drink plastic containers in curbside

programs, is currently six cents a pound, or about \$120 a ton. However, that rate is going down within the next couple of weeks to five cents a pound or \$100 a ton. He indicated to me that there is a different price, however, for the PET bottles that are coming from deposit states, and that is eight cents a pound, or \$160 a ton. The reason for that is because the containers that they get through the deposit system are clean, contaminant-free containers and that is of enough value to them to give it a higher price.

I would also like to reiterate what the gentleman before me said in terms of the markets for PET plastics being strong. They're exceedingly strong, and the problem is the supply -- not that there isn't enough PET out there, but that there are not adequate collection programs to get the product to the market. And, in fact, a couple of-- I think it was two years ago, Wellman indicated in a letter to a U.S. Congressman that 98% of the PET bottles were coming from deposit states. I believe as curbside recycling has picked up, that percentage has dropped somewhat, probably down to about 95%, but still the vast majority of these containers are coming through a deposit system.

I would like to speak quickly to the County Executive -- from Metzger?

ASSEMBLYMAN McENROE: Mercer.

MS. FRANKLIN: Mercer -- who said that he wanted to see less government, and I couldn't agree more. One of the things a deposit system does is take those materials outside of the government, so that government is not responsible for recycling those materials, but instead, those who manufacture, distribute, and buy the product are responsible.

I'd like to-- Someone mentioned a tax -- that the deposit system is a tax. I wish my other taxes were refundable. The tax or deposit that you pay on a returnable bottle is a tax that's refundable to you if you choose to take the container back.

And finally, someone mentioned that New Jersey is doing a good job, and I couldn't agree more with that statement. Obviously a statewide recycling rate in excess of 40% has got to be about the best in the nation. And I was actually at the first annual EPA award ceremony when Mayor Sharpe James of Newark received the award for that City's recycling effort.

That's the base four. I still have three bases to cover, so bear with me.

I think it's worthwhile for a minute to look at the reasons why beverage containers are targeted for waste reduction and recycling. And for the purposes of this testimony, beverage containers are beer and soft drink containers, although there are deposit systems that include wine, liquor, and, in fact, juice containers.

I would also like to make a public announcement to Coca Cola. It was totally inadvertent that I picked up two Pepsi containers, and it was hardly fair -- and I think the people that testified earlier also had Pepsi -- but Coke, we love you, too.

These containers are singled out over other cans and bottles because there's some significant differences between beer and soda containers and mayonnaise jars, shampoo bottles, and tuna fish cans. First of all, beer and soda containers hold a nonessential, nonfood product. They are almost exclusively single-serve containers. I buy this container; I take it home; I slurp it down, and bang, it's in the trash can, like that. A tuna fish can at least serves more than one person, unless you're a very hungry person. Beer and soft drink containers are worth far more than the product you buy. There's an interesting gentleman named Allen Hershkowitz, who I refer to as the guru of solid waste -- he's with the National Resources Defense Council -- who has a rather technical terminology for it. I think it's "high packaged product

ratio." It's one of the things that NRDC is trying to change. But when you buy the beer or the soft drink that you consume, you are paying a lot more for the container than for what you're actually drinking. Beer and soft drink containers, as was pointed out earlier, can be packaged and refillable bottles that can be used many times.

And finally, there are an estimated seven million beer and soda containers -- that's 2% of the total -- that are littered each year in the Garden State. They're a source of visual pollution, a safety hazard, and they're costly to New Jersey citizens. Putting a deposit on these containers has proven to be an effective litter reduction measure, and an energy and resource conservation measure, as well. But because deposits also ensure a high return and recycling rate, they are currently being reevaluated as a waste management tool, and I think that's really why we're here today. It's certainly why I'm here.

The debate over the effectiveness of deposits as a waste reduction measure centers around the question of compatibility of BCDL, or deposits, with other recycling options such as curbside recycling programs, and I really hope that what I have to say will shed at least a little light on this controversial, complex, and somewhat confusing issue.

I think if I don't even get to the rest of it, I think what I really am intent on doing, or trying to do, is to dispel the great revenue myth. This is the myth: When glass, PET plastic, and aluminum beverage containers are removed from curbside recycling programs, the revenue used to offset the costs of the program are reduced and the programs economic viability is destroyed. This myth is perpetuated by the beverage and packaging industries, and many individuals in the field of solid waste management believe it, too. The fact is that both glass and PET plastic costs far more to remove through a curbside recycling program than the revenue that is generated from these containers.

Let's talk about glass. Glass is not a net revenue producer. Now, it is true that you get some money for glass, and it can range from \$20 to, I think, \$40 a ton, depending on where you are in the country and depending on how clean your glass is. But the price of glass is far less than the revenue that is generated. In Rhode Island-- Rhode Island has almost an entire state under a curbside recycling program. It's a very impressive program: 660,000 in their curbside program. It's big.

Okay, the cost of collection alone, for glass -- I'm not even talking processing costs-- The cost to collect glass is three times what the revenue is that comes into the program. An Associated Press story, last week, reported that half of all the glass collected in a curbside program in Miami, Florida, is being landfilled. I might tell you that the same is true in the State of Rhode Island. They're collecting 14,000 tons of glass at the cost of about \$82 a ton, which is two to three times what it costs to collect it for disposal. Over 7000 tons of the 14,000 collected in Rhode Island are going in the landfill, depending on who you talk to. Some say, "Well, it's being sprinkled on top of the landfill as cover." I mean, the bottom line is, it ain't getting recycled -- half of it. What this means is the taxpayers in Rhode Island are paying twice. They're paying to have the glass picked up through an expensive curbside program, and they're paying again to have it landfilled.

With a deposit system, most of the glass that is generated by a community is removed from the waste stream, at no cost to government, through a deposit.

PET plastic is not a net revenue generator. At a plastics industry conference in May, Jane Witheridge, an Executive Vice President -- excuse me, an executive; I think I just elevated her -- with Waste Management, Inc. stated, "Plastics account for a 35 (sic) decrease in efficiency in

curbside recycling programs, and collection costs for this material range from \$100 to \$500 a ton." And the reason is because -- again I'm using verbiage that hopefully isn't too much for you -- but it has a high volume-to-weight ratio. In other words, it doesn't take very many of these guys, especially the big ones, to fill up a truck, and you're not realizing efficiency when you put so many of these in a container.

The cost for collecting plastics is high. And I might tell you that Seattle, Washington, which is the showcase of recycling in the nation -- you've all heard about how wonderful their program is -- they don't collect HDPE. They were not going to collect PET, but the people of the solid waste management -- I can't even think of the name of it -- utility said, "We're not collecting PET. It's going to cost too much money." The plastics industry came to them and said, "All right, we will subsidize it." So, in Seattle, they're getting twice as much per ton for PET -- I think it's something like \$240 a ton -- than any other program in the country. But it's being subsidized out there.

And that is, really, in reaction to Chairman McEnroe about, I think to Mr. Sudol; about you know, discouraging plastics. And it is a concern. I think the issue here is that if you can remove the majority of these through a deposit system, at least you have less to deal with through a curbside program.

ASSEMBLYMAN McENROE: New Jersey-- I'm sure you're well aware of the fact that we transport our waste to other states for disposal which creates an additional transportation cost for containers such as that that are in our waste stream presently.

MS. FRANKLIN: Exactly. What happens to these particular containers under a deposit system is that you have -- and this is a fairly conservative estimate, and it ranges-- I mean, I hesitate even using statistics, although I do all the

time, knowing that there are three kinds of lies: lies, damned lies, and statistics. You're all aware of that. But in deposit states, about 85% of all these materials are just removed from the waste stream -- bam, like that. Additional materials can be removed through-- You know, what's left can also be removed through a curbside program. And if I ever get to that -- which I doubt -- I'll show you.

Quickly, I would like to say that aluminum is a net revenue producer. Aluminum is definitely a net revenue producer. It has a high weight-to-volume ratio and it has high scrap value. But if you'll look on a little chart that says "The Great Revenue Myth" at the top -- the chart at the bottom -- there are five curbside programs down here. These were part of a study that was done by Gerschman, Brickner, and Bratton. They're a fairly well-known consulting firm in Virginia who did a study for the Aluminum Association, which found -- and I thought it was quite curious-- I mean, I actually could hardly believe it myself, but what you've got down here is the percent of aluminum beverage containers that could be captured -- in other words, that are available -- that are actually ending up in a curbside program.

Anne Arundel County, Maryland; Dakota, Minnesota; and Rhode Island, do not have a deposit system, as you know. They are getting somewhere between 25% of the aluminum available -- which is what they're getting in Rhode Island -- to a high of about 60% in Dakota, Minnesota. But if you will look at Des Moines, Iowa, and Islip, New York, both are cities that are in states with deposit systems. They, too, are getting a significant portion of the aluminum in their curbside program.

Now, the bad news is there are some people that aren't taking the containers back. But the good news is they're putting them in their curbside program. You have two chances to get the material.

I hope that helps to dispel the revenue--

ASSEMBLYMAN McENROE: Are, then, the deposits paying for the curbside collection costs in Iowa and New York?

MS. FRANKLIN: None of these states-- Neither of these two states have a system where the unclaimed deposits help fund the curbside program. There actually is only one state that has a program like that, and that's California, which is a kind of different deposit system, I guess.

But the scrap value, yes, is helping fund the program. I mean, I guess the point is, you do get revenue from all of these materials in a curbside program, but the revenue you get from these materials doesn't come close to covering what it costs to collect them. I'm not saying don't do it, because I think we have to do it. We have to do it. You don't have a choice in New Jersey, frankly.

One more quick thing: I'm going to skip over a whole chart that I hope you and your staff will look at on pages 2 and 3, but I guess what I would like to say is that in the study that the National Soft Drink Association did -- which was a study that wanted to, or tried to show that beverage container deposits are not compatible with a curbside program -- they found that using their statistics, and I would love to sit down with any member of your staff-- I'll pay to come back up here to sit down with a member of your staff and a member of the National Soft Drink Association, or the firm GBB, who did the study, and go over the figures with them, because I doubt them to the highest degree. I have no choice but to use them, and if I use them, I find that a combined program of deposits and curbside recycling would cost the taxpayers of Anne Arundel County about \$1.65 a household more than it would if they just had the curbside program. In Islip, it would be about-- Actually I think these are reversed. I think it's \$1.65 in Islip and \$1.29 in Anne Arundel. At any rate, when you consider that the average household in New Jersey and in every other state in this country spends about \$700 a year on beer

and soft drinks, an extra \$1.29 or \$1.65 is a small price to pay for cleaner streets, cleaner parks, and cleaner beaches; fewer lacerations from broken glass, fewer tire punctures, and two options for recycling beverage containers.

I guess the very bottom line in this National Soft Drink Association study is this, and it's on the last page of my testimony: If you look at what is being recycled in Islip, New York, a state with a deposit system which has a curbside program -- in Islip -- and Anne Arundel County, where there is a curbside program and no bottle bill, no deposit system-- The program in Islip is recycling 10% more than the program in Anne Arundel County. According to the figures, I mean it is the one undeniable truth in this National Soft Drink Association's study. It's on page I-1 of the study, and I have a copy of it. They're removing 10% more from the waste stream and they have a combined system.

If you count mixed paper which is being recycled in their curbside program in Islip, but not in Anne Arundel, Islip is actually recycling 20% more than Anne Arundel. And I think the name of the game in New Jersey is not how can we recycle at a lower cost, but I think the name of the game in New Jersey is, let's get that stuff out of our landfills and get on with whatever else we have to do.

So I think that when disposal recycling costs of beverage containers are internalized through a deposit system, the burden for collection and processing is shifted from local government to the manufacturers, distributors, retailers, and consumers. And we sometimes call this, "The polluter pays," principle.

Chairman McEnroe, members of the Committee, it is not a question of which recycling mechanism is best for New Jersey -- deposits or curbside recycling. An integrated program of beverage container deposits and curbside recycling is a cost-effective means of minimizing waste reduction --

minimizing waste, and minimizing -- excuse me, maximizing waste reduction and minimizing costs. A dual system is working in 10 states and it can work in New Jersey.

I thank you very much for the time this morning.

ASSEMBLYMAN McENROE: Thank you very much, Ms. Franklin. Any questions from members of the Committee? (negative response) Thank you again for your testimony.

Can we hear from Mr. James Morford, New Jersey State Chamber of Commerce? Mr. Morford?

We have quite a few individuals representing organizations around our State that have an interest in this discussion, so I would ask everyone, where possible, to capulize your testimony, if you would. Thank you.

Good morning.

J A M E S C. M O R F O R D: Mr. Chairman, thank you. I'm James Morford, Vice President for Government Relations for the New Jersey State Chamber of Commerce, and I will be brief.

In fact, I do not have a prepared statement. Frankly, the legislative landscape has already been excessively littered with bottle bill papers, so I will try to make just a few observations.

New Jersey State Chamber of Commerce has -- for over 20 years I think now, or at least approaching two decades -- led the fight against container deposit legislation being forced on the good citizens of New Jersey. The bottle bill wasn't needed 20 years ago; it wasn't needed 10 years ago; it wasn't needed three years ago; and it's not needed today.

ASSEMBLYMAN McENROE: I understand the intent of your testimony. (laughter)

MR. MORFORD: Therefore-- It's as simple as that. You have heard from a number of sources this morning, and you'll hear from some more. I'm sure it's been interesting to hear from some of our visitors from Washington and elsewhere about some of the charges and facts and figures, and I'm

certain that you are going to listen as intently to those who are charged with the responsibility for manufacturing, distributing, and retailing these consumer products, as you have-- You have been gracious, Mr. Chairman, as you continue to listen to this ongoing battle.

I will say that it's nice to be back at a bottle bill reunion. Maybe some day the proponents of a bottle bill will really get behind the recycling efforts and recycling progress we've made in New Jersey.

I was really delighted to hear Assemblyman Albohn and Assemblyman Shinn this morning. Because of their dedication to that goal, we're going to make these programs work in New Jersey.

We thank you.

ASSEMBLYMAN McENROE: Thank you. Any questions for Mr. Morford? (no response)

If not, we will now ask Diane Ziegler, representing Clean Ocean Action, to address our Committee.

Good morning, Ms. Ziegler.

D I A N E Z I E G L E R: Hi. How are you?

My name is Diane Ziegler. I-- These don't work, I don't think, do they? (referring to recording microphones)

ASSEMBLYMAN McENROE: Yes, they are working. They are recording your comments for the consideration of the public and the Legislature.

MS. ZIEGLER: Okay. I thought for back to here.

ASSEMBLYMAN McENROE: Not for back there, so would you speak clearly and distinctly, if you would?

MS. ZIEGLER: Yes. My name is Diane Ziegler. I'm Presentation Coordinator for Clean Ocean Action. At Clean Ocean Action I'm involved in coordinating and conducting educational presentations and programs to schools and community groups throughout New Jersey concerning all ocean pollution issues. In nearly every presentation I have conducted, someone suggests that New Jersey should have a bottle bill.

I also help coordinate several statewide beach cleanups, as well as participate in them. Clean Ocean Action has been organizing beach cleanups since 1985, which is one of the longest running activities that we have been involved in.

Over the past years we see a decrease in the number of bottles and cans on the beach due to mandatory recycling laws, and the New York bottle bills.

I brought data from three beach cleanups: fall 1990, spring 1991, and I just called the office for Saturday's International Beach Cleanup. In the fall of 1990, the metal beverage cans found on the beach, 1006; plastic beverage bottles, 773; glass beverage bottles, 724. You need to know that in the fall cleanup data, the statistics are much lower than the spring for several reasons. One, the fall cleanup is held two or three weeks after Labor Day, and beaches are cleaned daily in summer months. Secondly, school participation is lower than spring because of the lack of time teachers have to organize the event, as far as transportation and permission slips. Third, Operation Clean Shore, with the criminals cleaning up the beach-- They clean the beach daily prior to the fall beach cleanup.

The spring '91 statistics are: metal cans, 1661; plastic beverage bottles, 5632; glass beverage bottles, 3871. Saturday's beach cleanup -- this is from Sandy Hook and Belmar only-- This is one week's worth of trash, the reason being that Operation Clean Shore cleaned the beach one week prior to this, and Sandy Hook has been cleaning the beaches everyday all summer: plastic soda bottles, 557; glass bottles, 706; aluminum cans, 867.

Just to note, the Tampon applicators were collected to strengthen the reauthorization of the Clean Water Act. This data is our evidence for our need of a bottle bill in New Jersey.

I would also like to leave this 1990 "Beach Cleanup Results Report," conducted by the Center for Marine Conservation. You will see how states that have adopted the bottle bill and have participated in beach cleanups report lower quantities of bottles and associated goods on their beaches than the national figures.

Clean Ocean Action wants to see a bottle bill adopted in New Jersey. On Saturday, I participated in the Ocean County Environmental Conference, and the President of the New Jersey Federation Sportsmen's Club wanted me to tell you that they voted Friday to support the bottle bill. That's George Howard. He's the President.

Thank you for this opportunity to testify.

Any questions?

ASSEMBLYMAN McENROE: Thank you for your testimony. Just a thought: When you established statistics for the cleanup of Sandy Hook, Belmar, whatever-- That is strictly containers that are littering the beach? This is not from the containers that are placed there for the consideration of the guests at the beaches?

MS. ZIEGLER: Right. This is all that--

ASSEMBLYMAN McENROE: This is outside the municipal cleanup operation?

MS. ZIEGLER: Yes. There are some areas that we clean up where there are recyclable containers there. They are probably just not used. But a lot of this comes up from-- We do both the bay side and the ocean side on Sandy Hook. Belmar is all ocean.

ASSEMBLYMAN McENROE: Thank you.

Mr. Franks?

ASSEMBLYMAN FRANKS: Mr. Chairman, I'm wondering: With things like medical waste we have a pretty efficient tracking system in place to know the point of origin of those materials. With things like beverage containers, there is no

easily accessible way to know the point of origin. How do we know that these bottles and cans and the various materials that have been collected on the beaches in New Jersey don't, in fact, come from New York?

MS. ZIEGLER: Well, it's hard to say. I mean, it's hard to say where it comes from. You'll notice on the -- I think it's on the second page of my data, we found five bottles -- I think it was five bottles -- from New York.

ASSEMBLYMAN SHINN: First page.

MS. ZIEGLER: What is that?

ASSEMBLYMAN FRANKS: Five, yes.

MS. ZIEGLER: Five bottles. They were doing some kind of a test out of New York where they put a note in the bottle and they-- Mostly from New York, the Arthur Kill area, they put the bottle in-- You know, it makes sense that it is going to come down to New Jersey.

We don't really know. A lot of the Arthur Kill's waste comes down into the bay area of Sandy Hook. In Belmar, I would imagine that it comes from either people leaving it, or from people throwing cans or plastic bottles down sewer lines.

ASSEMBLYMAN FRANKS: Right. But if it does come from New York, that means that those particular bottles have escaped collection under the mandatory deposit legislation.

MS. ZIEGLER: Yes, possibly.

ASSEMBLYMAN FRANKS: By definition, I guess.

Thank you, Mr. Chairman.

ASSEMBLYMAN McENROE: Thank you, Mr. Franks. And thank you, Ms. Ziegler, for your testimony.

Could we now hear from Ms. Barbara McConnell, representing the New Jersey Food Council. Ms. McConnell?

B A R B A R A M c C O N N E L L: Thank you, Mr. Chairman.

ASSEMBLYMAN McENROE: Welcome this morning.

MS. McCONNELL: Thank you, Mr. Chairman and members of the Committee. I represent the New Jersey Food Council, which

is a trade association that represents supermarkets and food manufacturing companies. Our position on bottle bills is well-known. We are strongly opposed to forced deposit legislation for several reasons.

Proponents of bottle bills offer them up as some sort of simplistic, cost-efficient system -- as perhaps the most cost-efficient system -- for cleaning up litter, and perhaps solid waste. The experiences that retailers have had in other bottle bill states and across the country show otherwise.

Bottle bills are a nightmare to retailers. They impose an enormous cost on retail operations, which are passed on to consumers. It results in lost sales of product. As a result, that results in lost jobs. And it has been our experience that bottle bills don't work effectively in cleaning up litter, or in a comprehensive recycling goal.

As you have heard here today, nine states do have bottle bills; the remainder do not. And yet in those states that do not have a bottle bill, most of them have considered it either by way of referendum or through the legislative process and they have been rejected, as was done in a Mercer County referendum where the public defeated the question, three to one.

For retailers, bottle bills are labor intensive. It causes us to have to do building renovations, build storage, or to utilize existing space for storage and for separation. It's estimated that just for start-up costs for every single retailer in the State, if we had a bottle bill, it would cost us \$50,000 per store, just for renovations, for building additional space, or losing sales space that we would have to devote to a collection system.

That \$50,000 times 3400 food-related retail stores in this State would give you a figure of \$375 million, the first year, start-up costs on a bottle bill. Additionally, in bottle bill states where we have had experience, studies have been conducted to determine what it actually costs a retailer in

handling charges to handle each individual container as it is brought back, separated, and goes through the process. Studies have shown in New York that the handling costs range from 1.2 cents to 3.6 cents, depending on the geographic location, and also the magnitude of returns in that particular location.

So, taking just an average of 2.6 cents per container handling charge that is going to be a cost in a bottle bill system right up front, the consumer gets nothing back. Nobody gets anything back; it's a cost. We estimate that the handling fee alone would cost \$150 million in our State.

These costs are passed on to the consumer. There is no free lunch in a bottle bill. The retailer does not eat this. The distribution system does not absorb this. It's passed on to the consumer. So, first year, you are talking about passing approximately \$375 million in start-up costs, in addition to \$150 million in handling costs, onto the consumer in increased prices.

Mr. Sudol testified that perhaps it would be a new method of taxing, if the State could take unclaimed deposits. You also heard additional testimony that if you have -- as he said -- \$115 million to \$400 million in unclaimed deposits, then you have a failure of a system in a bottle bill. And additionally, Massachusetts and Michigan ruled that it was illegal for the state to take unclaimed deposits.

The State of California was also referenced here because they have a different kind of bottle bill. What they do there is not a deposit, but rather a rebate to the consumer as an incentive to bring back bottles and cans. The retailers there were forced to set up the collection centers and rebates given back. -

Here is an article: California's bottle bill, \$66 million shortfall. That shows you some of the financial success of that system.

ASSEMBLYMAN McENROE: Excuse me, Ms. McConnell. In California, these redemption centers, are they a part of the-- Are they located at where the retailer would do business, or are they separate?

MS. McCONNELL: They are separate.

ASSEMBLYMAN McENROE: Are they identified strictly as a redemption center?

MS. McCONNELL: They are separate. The retailer was made responsible for setting up those redemption centers.

ASSEMBLYMAN McENROE: They are responsible for the construction and the operation of that facility?

MS. McCONNELL: Right, right.

ASSEMBLYMAN McENROE: Thank you.

MS. McCONNELL: And the state gives the rebate back to them.

Proponents will argue that a bottle bill is the most effective means for litter cleanup in this State, although experience and studies have shown that this is not the case. In New York, three years after the bottle bill, there was a study done that showed that the results of the bottle bill with regard to its impact on litter were statistically insignificant. Other states show that the litter decrease has been minimal -- Michigan, 4.5%

Mr. Chairman, some of you may know that since 1986, when New Jersey passed the Clean Communities Act, which was offered as an alternative to a bottle bill for that specific argument, that the Clean Communities Act would serve as a more comprehensive program for litter cleanup and it would generate funds to go back to municipalities to enable them to conduct a more comprehensive litter cleanup program for the State. That law has been in effect since 1986. There were start-up problems in getting the money collected and getting the money back to the municipalities.

Since 1986 I've served as Chairman of the Advisory Committee of the Clean Communities Program, and on that Advisory Committee are representatives from various municipalities, county organizations, as well as environmental groups, and business and industry. So the Clean Communities Program is something that I am very familiar with.

There is a lot of myth about what is going on with regard to litter, and what shows up in litter surveys. Perhaps you know that DEP had conducted by the Department of Geography at Rutgers University, a litter survey in the State of New Jersey in 1989. What that survey showed was that by item count, cigarette butts represented over half of what we find in the litter stream. By aerial count, it showed that paper -- just thrown away paper of all types -- represented 29% of our litter stream. Plastic packaging -- not beverage containers, but plastic packaging of some sort -- 35%, and that beverage containers only represented less than 5% of New Jersey's litter stream, by aerial count.

In our opinion, the Clean Communities Program has been successful. The latest report and executive summary, which I'll be happy to share with the Committee as a part of the record, shows that in 1987, the first year-- The law went into effect in 1986; in 1987 the disbursements were made. The following year there was \$8 million disbursed. The subsequent year, \$8 million, and \$9 million was collected, but money has been carried over from year to year, so 1991, approximately \$11 million was disbursed, back to municipalities.

As you know, that program sunsets in December of this year. The program came before this Committee and the Assembly again for reconsideration, and all of these points were brought to your attention -- both the success of the program and what we consider to be some areas that need to be fine-tuned with regard to the program. But overall we believe the program has been successful as a comprehensive method of addressing litter

in our State. Over 445 municipalities today receive funds from that program, and as Mr. Sudol pointed out, the City of Newark perhaps receives the largest grant for litter cleanup.

Perhaps you also know that if a bottle bill were ever enacted in this State, that there is language in the Clean Communities Program that would automatically repeal that program, and those moneys would no longer be available to those communities.

Mr. Chairman, to be brief -- and I do have prepared testimony that is more in-depth that I thought you might want for the record--

ASSEMBLYMAN McENROE: We'd like that very much. Thank you.

MS. McCONNELL: --which I will submit for the record -- with details and statistics regarding our particular industry, the New Jersey Food Council and the food industry does not oppose a bottle bill simply because we would be the industry that would then become the collection centers or the redemption centers. That cost then would be passed on to us and then to the consumers. But more importantly than that, our industry has taken the position for the last 10 years, that the State needed a more comprehensive approach to solid waste, and to those solutions, and we have been instrumental in helping the State to achieve some of those goals.

We believe that New Jersey's recycling program is a good one. We believe that we can continue to be successful, and we do not believe that a bottle bill and curbside recycling is compatible or cost efficient. If you are going to take valuable materials out of a curbside recycling program, and impose the cost on the consumer that would be imposed as a result of a bottle bill, it looks to me like you are giving them a double whammy, in terms of cost to the consumer and for solid waste collection in this State.

ASSEMBLYMAN McENROE: Any questions from members of the Committee for Ms. McConnell? (no response) We appreciate your coming before us. If you will leave that permanent testimony--

MS. McCONNELL: I will.

ASSEMBLYMAN McENROE: --for us.

MS. McCONNELL: Shall I leave this, too?

ASSEMBLYMAN McENROE: If you would. And we'll have that available for the members of the Committee. Thank you very much.

May we now hear from Mr. Guy Polhemus, representing, WE CAN.

G U Y P O L H E M U S: How are you? I'd like to--

ASSEMBLYMAN McENROE: Good morning, sir.

MR. POLHEMUS: How are you, gentlemen? I come from--

ASSEMBLYMAN McENROE: We are just digressing for a moment. Just a moment. (Assemblyman McEnroe confers with aides)

Good morning. We're still in the morning part of our testimony. It's nice to see you here, and thank you for coming.

MR. POLHEMUS: Nice to be here.

I address a somewhat different part from most of the people who are fighting the bill. I'm from a state, New York State, that already has a bottle bill law, and the organization that I set up is one of the benefits that a bottle bill law can bring to a state.

My name is Guy Polhemus and I am the Executive Director and Founder of WE CAN, a nonprofit organization which operates New York City's only two redemption centers. WE CAN exists because of the Returnable Container Act -- which is basically the bottle bill law -- which was enacted in 1983. I started WE CAN in 1987 in response to a growing number of poor and homeless people who were turning to this container collection to survive.

WE CAN opened its first redemption center in October, 1987, and in the last four years has paid out over \$4 million in nickel deposits to the poor and homeless, and processed over 70 million containers representing 10,000 tons of solid waste which was diverted from the landfill. We employ 52 individuals full-time, and that includes 35 formerly homeless people. We pick up donated containers from over 2600 corporations, schools, and residences that donate their empties to WE CAN.

The Returnable Container Act has been a very positive one for New York State and the City. The Rockefeller Commission conducted a study of the Returnable Container Act in 1984, one year after its implementation. The Commission concluded that the positive impact of the bottle bill, that it had just on reducing street and roadway litter, ensured that it would never be rescinded. Furthermore, Jon Naar, author of "Design for a Livable Planet," estimated that New York State saved between \$50 million to \$100 million in energy costs, \$50 million in cleanup costs, and \$19 million in solid waste disposal costs in the first two years of the bill's existence.

New York's Returnable Container Act has not been without its problems, but they are problems other states have avoided and that states considering bottle bill laws can avoid. One is that the state designates a central deposit bank for all collected deposits. For example: WE CAN pays out an average of \$15,000 a day to individuals who come to our redemption centers. In the beginning, bottlers and distributors refused to pick up those empties from WE CAN. It was because there wasn't a central deposit bank which really is sort of a disincentive for people to pay back that nickel. But a central deposit bank is one way for a state to do that. Another way is making escheatment mandatory of any unclaimed deposits, that can then be used by the state.

I testified in February, 1990, at the Moreland Act Commission hearings, which were set up by Governor Cuomo to

look at the problems with the Returnable Container Act and make recommendations on improving it. Among the many recommendations that the Commission made were to increase the handling fee from 1.5 cents to 2 cents and create a fund -- as I mentioned before -- to avoid the type of problems that are inherent if you don't have the money going somewhere, and not just sitting in the bottlers' pockets.

I see firsthand, as city services in New York City are cut, how the bottle bill law makes more and more sense. The deposit keeps a constant incentive to recycle present, regardless of the fluctuating prices of glass or plastic or whatever.

Another recommendation of the Moreland Act Commission was to expand the Act to include juice and wine bottles. The Natural Resource Defense Council has stated that the Returnable Container Act, or the bottle bill in New York, is the cornerstone of New York's Solid Waste Management Program. As recycling budgets are slashed or eliminated, it becomes more and more evident that the cries from bottlers to not enact bottle bill laws are baseless and self-serving.

Bottle bill laws have proven to be a positive thing, and they are standing the test of time. As the capacity of landfills decreases -- which you see in this State greatly -- bottle bills show that the payoff can be great for the environment and the creation of jobs.

I was born right here in Trenton. This is a diverse and beautiful State. It's an honor to be here, and I hope that you adopt a bottle bill law. It's the right thing to do.

ASSEMBLYMAN McENROE: Thank you. I think you have a great story to tell.

MR. POLHEMUS: Well, thank you.

ASSEMBLYMAN McENROE: It's very nice. We appreciate that. It's a story that touches on a lot of aspects other than what's before the Committee today.

I just have a question for you. On the-- In other words, without deposit legislation, you would have no project. You'd be--

MR. POLHEMUS: Yeah.

ASSEMBLYMAN McENROE: It would be of no interest. Yet, you limit your activity to two particular areas of New York, or do your two redemption centers serve the entire Manhattan area?

MR. POLHEMUS: No. Our activity is in upper Manhattan, and in midtown. We have on the drawing boards to open four more, and that will be happening. It's just that it takes time.

ASSEMBLYMAN McENROE: Very ambitious. Any questions for Mr. Polhemus? (no response) Thank you very much. We appreciate that.

Can we now hear Mr. Jim Sinclair, representing the New Jersey Business and Industry Association?

Mr. Sinclair, you're a familiar face. We've heard your testimony on various issues. Good morning.

JAMES SINCLAIR: I'll have a very brief statement that I will make this morning because it's been a long morning.

We oppose the bottle bill -- deposit legislation -- and we have in the past, seven years ago, or the last time that we did this. I think that this is really a great opportunity to take a look at the real economics of what the proponents are saying, and the opponents. I'd be happy to come back and give you-- I don't know if you are going to keep the record open here. I don't know if you said that.

ASSEMBLYMAN McENROE: We intend to, at the conclusion, because--

MR. SINCLAIR: Great. I'm going to come back to you with the best economic figures that we have on this. But--

ASSEMBLYMAN McENROE: We'd like to have as comprehensive an analysis as possible. We've had some very good testimony today and I think it will all be a part of our review. We will allow, because there are other people who wished to be here, but have not been able to be in attendance-- We want to allow the opportunity for those people to present testimony, also.

MR. SINCLAIR: Our basic concern about deposit legislation is: One, starting at the top, we have, in the business community, made a commitment to support recycling in this State. I think that we have been good helpers in that process.

We support Recycle New Jersey, that encourages businesses to use recycled products. We have supported our solid waste policy in this State, even though it's changed. As it's changed, we have supported it. We have especially supported the recycling process, and in addition, the other component, the Clean Communities Act, which was to take care of highway litter.

As a person who was involved in the original -- or last -- debate on the bill, I can tell you that it's my perception that our highways in our State are a lot cleaner than they were before. I mean, noticeably cleaner. I heard the gentleman from Newark talk about the problems they have in Newark, but I think that Newark is a lot cleaner than it was before, thanks, in part, to that particular program.

It's more than just spending money to clean up litter; it's a total education program. And I think that perhaps that's what we need to work on, also.

We have traditionally opposed deposit legislation because of the impact on jobs in the State and the impact on the glass industry. And it has been a declining industry, probably in part because of increased deposit legislation around the country. I mean, that's been part of it -- the process.

We have been strong supporters of plastic recycling -- mandatory plastic recycling. I heard this morning questions of the economic value, or the cost of doing plastic recycling at the municipal level. I think that that's probably something we ought to look at. That ought to be clear. We ought to be clear on what the bottom dollar numbers are in the equation.

But the cost to the consumer in deposit legislation is far beyond what the cost is in having curbside recycling. Clearly, curbside recycling makes sense from an energy and a transport system-- Curbside recycling is a convenience for the consumer. It means they are not going to have to lug the bottles back to the convenience store that doesn't want to handle them; that has to do the storage. I mean, you've heard all the drills this morning on the disruption there.

I think if we are going to look at this at a bottom-line basis, then we need to look at the total system. I think that it's clear out there -- and the Mercer County vote is one indication of that -- that consumers don't want to do this. They probably join with the producers, the distributors, and the retailers in that regard. There is a special driving interest to do it, and I think it should be refuted not on a feeling kind of thing, but on a dollars and cents. I look forward to your analysis, and I look forward to contributing.

It seems in retrospect that the groups that are here today to tell us about how they -- you know, their concern about the taxpayers paying money, are the same groups that were back last year costing us \$3 billion more in the Clean Water Enforcement Act for local taxpayers. So it seems to me to be incongruous on that -- that we'd be doing that.

That's all my testimony. We do oppose this, and strongly oppose it. The Business and Industry Environmental Committee met and went over the bills on Friday to reestablish that. We looked at it, and we see no reason to support this and have no support.

ASSEMBLYMAN McENROE: Thank you very much. Any questions for Mr. Sinclair?

ASSEMBLYMAN SHINN: Just a comment: From the Clean Communities Act standpoint, Burlington County has a program that involves Occupational Training people, to train the handicapped. They pick up litter ahead of the County mowing schedule; you know, when you get 20 pieces of paper, and the mower goes through it and turns it into 10,000. That's sort of the worst kind of litter. But that program has been very successful. Those moneys are used to keep a policing team ahead of the mowing schedule, and that's made a major difference in our County roads in the County. It really makes a lot of sense, and it's an ongoing program. It's been in existence for a couple of years now. It's been very, very effective, and has been supported by all the parties.

MR. SINCLAIR: You know, my perception is that in the rural and suburban areas we see a lot less litter. We see a lot fewer bottles discarded as beverage containers.

In urban areas, my experience-- I loved the Safe and Clean Streets Program when Governor Cahill came out with it. That was a very good program that was designed to put walking patrolmen on the street, and then the "clean" component of it was street sweepers and special cleanup things in the urban area. It was a targeted urban thing for safe and clean streets.

What has happened over the years, as the funding has gone to the municipalities, it has shifted more towards the "safe" portion as salaries have gone up, and the "clean" portion shrunk away. I think that is a wonderful program for taking on urban problems of special targeted things, and you ought to look to reestablishing that in the Urban Aid cities.

ASSEMBLYMAN McENROE: Thank you. These are difficult times, moneywise.

MR. SINCLAIR: I understand, but it was a good program I think.

ASSEMBLYMAN McENROE: We appreciate that.

Can we hear now from Reverend Robert Moore? As we move into the afternoon, good afternoon, Reverend.

R E V E R E N D R O B E R T M O O R E: Well, good afternoon. I am cognizant of your request to try to be as concise as possible. Thank you for the opportunity to speak with you, and I am speaking this morning in my capacity as the Pastor of East Brunswick Congregational Church.

Mayor Sharpe James already covered the first two points that I was going to refer to, which is basically that we have done beverage container deposits for a good many years in the past. As a youngster I had the incentive, just as he did, to go around and collect those. And I thought that was a good use of some economic incentives to get young people to help clean up the environment. And, of course, we got a few ice cream cones out of that money, too.

Also, the point about it being factual, in place in New England and in a number of other places-- It's being done quite successfully as far as I can tell.

So, I'll just go to my final point, which is a moral responsibility as human beings, and in particular my perspective as a person of faith. In the biblical book of Genesis, we are told that God put man in the beautiful Garden of Eden to "cultivate and take care of it." One of the most basic responsibilities our Creator gives us is to be caretakers of His beautiful creation. Unfortunately, we human beings have messed up pretty badly in carrying out that responsibility. We have polluted and littered this beautiful creation with solid waste, including much that is nonbiodegradable. Over the past several decades, especially, we have adopted a throwaway culture. But the earth is not a throwaway, and the psalmist reminds us that it is not even ours to discard or pollute: "The earth is the Lord's, and the fullness thereof."

There are many rationalizations that are given to justify this behavior: convenience, maximizing profits, less clutter at home and in stores. If any or all of these are allowed to override our responsibility to be good caretakers of the earth, then in my mind they are a form of idolatry. For if anything is allowed to distract us from God's call and God's will, then it is a competing god.

But even if one is not a person of faith, it seems to me that the moral imperative to minimize solid waste and maximize reuse and recycling is clear. For it is we, our neighbors, and our children who will suffer pollution and a littered landscape if we don't reverse our solid waste policies. Out of simple human responsibility, to ourselves and all future generations, we have an obligation to properly care for the earth. It is only by fulfilling that obligation that we can enjoy the beauty and the fruits which the Creator intends for us.

Thank you.

ASSEMBLYMAN McENROE: Thank you, Reverend, very much. We appreciate your testimony and the admonition you provide to all of us to be careful of the earth. It is fragile, and we appreciate that -- we understand that.

Any questions from members of the Committee? (no response) Thank you, Reverend, very much, for coming before us.

We have Diane Mensinger, representing Union Carbide. I would think you could provide perspective on the industry's position, if you would. We love visuals.

D I A N E C. M E N S I N G E R: Oh, great. Sometimes I feel like a bag lady.

Good afternoon. I am Diane Mensinger, and I am Procurement Manager of Union Carbide's Chemical and Plastics Recycling Plant in Piscataway, New Jersey. I appreciate the opportunity to comment.

Do you know what four-and-a-half million pounds of baled plastic looks like? Let me help you visualize it. That equates to two acres, 10-feet high, and that's the amount of materials and plastics that we will be recycling and not landfilling with all of the communities which are coming to us each month.

Let me repeat that: That's two acres, 10-feet high, every month.

What I would like to do is take a little bit of an opportunity to bring you up-to-date on our new recycling manufacturing plant, and to reiterate the kinds of plastics that we are taking and removing from the solid waste stream in New Jersey.

Our plant is being implemented in stages over the course of this year. That gives us an opportunity to debug one section while we're implementing the next section. So far this year we have installed and are operating our sorting line, which is a 90-foot conveying system that utilizes up to 40 people. For this we are using handicapped workers from both Somerset and Middlesex Counties, as well as nonhandicapped workers. This has been operating since May of this year.

We have our grinders up and operating. These are four 250-horsepower units, which grind polyethylene bottles and film and PET into half-inch flakes. These have been operating since August.

Right now we are going through prestart-up safety reviews for our washing and drying equipment. The blending and compounding equipment is also installed and is ready to operate.

Finally, our pelletizers will be installed and operating in December of this year.

As you might suspect, we have invested heavily in both capital equipment as well as in the procurement side of our business.

We have designed our manufacturing plant to: 1) take the largest percentage of plastics that are available in a typical household -- and that is PET and HDPE; and 2) to utilize plastics that are generated from curbside programs. For example, we are accepting not only PET soda bottles, but also other PET bottles such as detergent bottles, vegetable oil bottles, water bottles, liquor and food bottles -- salad dressing and pet food, those kinds of bottles. This makes up approximately 30% of the PET materials that are not targeted for recycling in these bills.

By the way, this is an area that has been growing over the last three years. It now makes up about 30% of the PET volume. This can be readily attributed to consumer pressure to have products packaged in packages that are readily recyclable.

All of the recycling programs that generate material for Union Carbide are curbside collection programs. We do not take material from bottle bill operations, since we built our system to handle the curbside recycling programs which include more material and are slightly dirtier.

Finally, I wanted to mention that we have also worked very hard to assist municipalities and counties in implementing plastics recycling in their communities. This year, in fact, we will be purchasing about 18 million pounds of plastics, and about 11 million of those pounds are going to come from New Jersey.

As a reflection of our commitment, let me point out that of those 11 million pounds that are going to be collected out of New Jersey, 9 million pounds are being generated by programs that Union Carbide helped start in the last year-and-a-half. There is a lot of recycling that is going on, and a lot that is being implemented right now.

That concludes my statement; short and sweet.

ASSEMBLYMAN McENROE: Thank you.

Your operation would continue whether there would be a deposit law or not?

MS. MENSINGER: Yes.

ASSEMBLYMAN McENROE: But you are functioning quite well, and have sufficient product under existing recycling agreements in New Jersey?

MS. MENSINGER: We have gotten a tremendous-- Actually, I have been very surprised at the amount of curbside municipal programs that have started this year. We've just been inundated with the amount of recyclable plastics that have come in. I didn't expect it to start until about this time of the year. It actually started for us in, probably, February.

ASSEMBLYMAN McENROE: How much of that percentage would be the beverage container in the plastic waste stream that finds its way to Union Carbide?

MS. MENSINGER: It's about 39%.

ASSEMBLYMAN McENROE: Beverage containers?

MS. MENSINGER: When we do our sorting, PET amounts to 39% of what we get. It's consistent, over and over again. It can come from Atlantic County; it can come from Morris County; it can come from north Bergen County. It's consistent, the numbers.

ASSEMBLYMAN McENROE: Thank you very much. We appreciate your testimony.

A question from Mr. Shinn?

ASSEMBLYMAN SHINN: I have a couple of questions: What's 696028?

MS. MENSINGER: That is the blend number of where the material came from. What these are-- These are dirty milk bottles. They get ground. Once they go through the washing system, they get to be cleaned up and that's what they look like. Then we blow bottles out of them.

This is a bottle made out of virgin resin; this is a bottle made out of our curbside blend. (displays bottles) So, it's slightly dirtier. It's a little off color, but it still works.

ASSEMBLYMAN SHINN: The end product you sell-- Can you describe the rest of this for me?

MS. MENSINGER: Sure. If we recycle all of the soap detergent and cleaning agent bottles together, we make little chips out of them. First they go through the grinder and they get ground up into little chips like this. From here they go through the washing process, the drying process, and then they get made into bottles -- they get made into pellets. All of the colors together come out to be kind of a khaki color. And this is the color bottle that is made up.

The problem with this color bottle is that when you put this kind of a bottle into the middle of a soap detergent/cleaning agent bottle, it shows up, particularly in this area, around the edges. So, you don't want-- If you had a white bottle, if you had a light yellow bottle, if you had an orange bottle, this dark color is going to show through.

So, to get around that what we have done is, we've gone to color sorting. So, this is all the red, orange, and yellows -- which are these -- which make these color pellets, which make this color bottle. So this is going back into a Tide bottle. The blues, the blue-blacks, and greens, are going back into things like Downy Fabric Softener, or Final Touch bottles. The yellows can go back into the lighter yellow bottles. And these can, obviously, go back into any color -- the milk bottle materials.

ASSEMBLYMAN SHINN: Good.

ASSEMBLYMAN McENROE: Thank you. I appreciate that very much.

May we now hear testimony from Mr. James Sidie, New Jersey Soft Drink Association? Mr. Sidie, we will be ready for

your testimony in half a minute. (pause) Mr. Sidie, good afternoon.

**J A M E S S I D I E:** Thank you, Harry, for the opportunity to come here and perhaps dispel some of the myths about returnable, refillable bottles and litter.

My name is James Sidie, and I am the Executive Director of the New Jersey Soft Drink Association.

Originally, bottle bills were designed to clean up litter. In pursuing this objective, proponents were not concerned with solid waste. In fact, only a few short years ago they backed the bill of then Assemblyman Paterniti that prohibited the use of refillable bottles.

Now we are told that a bottle bill will cut down on litter, conserve energy, improve the environment, and solve the solid waste problem.

Let us examine the issue of litter. When the first bottle bill was passed in Oregon, we were told it cleaned up litter, but it didn't. An independent study by the state-appointed consultant showed that total litter there had declined by only 10.6%. Today, crews of young people, even now, pick up in excess of 50 tons of litter a week.

When a bottle bill was passed in Michigan, we were told that 85% to 90% of litter disappeared. That was not so, either. When the legislature in that state authorized a litter survey, they found that total litter had actually increased.

When New York State put a bottle bill to work, we were told that now New York City would shine. Not so. Within one year, Mayor Koch asked for \$60 million in additional funds to clean up litter.

How often have you heard that Vermont is such a clean state because they have a bottle bill? It's true, it is a clean state, but not because of a bottle bill. They, too, have cleanup crews. And in adjacent New Hampshire, you will find a

state just as neat and clean, and they do not have a bottle bill.

Let's look at New Jersey and litter. Examine the study by Rutgers University for the New Jersey Department of Environmental Protection. Thirty-seven sites around the State were thoroughly studied. The results showed beverage containers by count were 1.1% of the total count, and 2.2% of the littered area.

This survey goes on to state: "Based on the compositional analysis, beverage container legislation would have little effect on the quantity and aerial coverage of litter." I brought a copy of that survey with me for your use.

How about the environment? The number one objective of a bottle bill is the returnable, reusable bottle, the bottle that would supposedly be environmentally friendly. If, today, the beverage industry had in place the deposit system of 40 years ago, we would use in New Jersey annually: Over one billion gallons of water; hundreds of tons of caustic soda and other strong chemicals; millions of gallons of fuel oil to run the boilers, summer and winter, to heat the sterilizing solution; thousands of gallons of powerful insecticides to control the vermin that came into the plant with the empty containers; and additional electricity to power the huge washing equipment, all of which would be washed down into the sewer. With the modern, well-designed, recyclable package, none of these is necessary.

The foregoing would not be the only unfriendly act toward the environment. A return to a deposit system would place more trucks on the road. Under that old system, a driver was limited to a load of 150 cases a day. More time was consumed in picking up and loading the empty cases on the truck than in delivering the product. That truckload held 182 gallons of product and was contained in over 3000 pounds of

glass. By comparison, the same volume of product is contained in 40 pounds of recyclable PET containers. Today, one man on one truck delivers as much product as three or four men on as many trucks did under the old system.

These figures are not hypothetical. They are very real. For 40 years -- from 1940 to 1980 -- I was Vice President and General Manager of a soda plant in Elizabeth, New Jersey, doing about 1% of the soda business in the State. I still remember ordering caustic soda by the carload, powerful insecticides in 60-gallon drums, and fuel oil by the tank wagon, 4000 gallons at a time. Before the lightweight, modern, recyclable container came into use, we operated over 24 trucks. After the transition to one-use containers, we operated 12 trucks that handled about double the volume.

Someone once suggested that since plastic uses petroleum, we use only glass containers because they are made only from sand. There is no free lunch here. Large quantities of petroleum or natural gas are required to melt that sand at a temperature of 2800 degrees. It is then fluid enough to be molded into a bottle, and then it is allowed to cool to 121 degrees. At that point, it is reheated to anneal the bottle.

Further, will a bottle bill help to solve the solid waste problem? Let's look at the record of solid waste disposal in some nearby bottle bill states:

In Maine, with the most stringent bottle bill in the country, they recycle 16% of their waste; they incinerate 45% of their waste; and they land fill the other 38%.

In Massachusetts, they also recycle 16%; incinerate 47%; and land fill the balance of 37%.

In Connecticut, we have no figures on the amount recycled, but we know they incinerate 59% of their waste.

Compare that with New Jersey's record: 39% recycled -- I think it is now about 42%; 9% incinerated; and the balance land filled. It would appear that these deposit states are not

truly interested in comprehensive recycling, but are relying on bottle bills and incineration to handle their solid waste. In fact, there are only eight states that have more than 100 municipalities with curbside programs. New Jersey leads them all, with 492.

These forced deposit laws that are proposed are a relic of another era. They are piecemeal legislation that soothes public conscience, plays well in the press, and lulls us into believing that government is correcting the problem, when its actions are having just the opposite effect. Specifically, such laws remove the most valuable part of the recyclable stream -- beverage containers -- from that stream, thereby making additional funding necessary if comprehensive recycling programs are to succeed. While they represent less than 4% of solid waste, beverage containers provide as much as 65% of the recyclable value.

Thank you.

ASSEMBLYMAN McENROE: Thank you, Mr. Sidie. We appreciate your testimony. Would you make a copy of that available for us and the Committee?

MR. SIDIE: I have the copies here.

ASSEMBLYMAN McENROE: We appreciate it. Thank you very much.

MR. SIDIE: And also the copy of the survey made by Rutgers for the Department of Environmental Protection.

ASSEMBLYMAN McENROE: We appreciate that.

Now, Mr. Kent -- Al Kent -- representing the Sierra Club? (no response) He is not present. Is there anyone here from the Sierra Club who wishes to testify? (no response)

Marie Curtis, representing the New Jersey Environmental Lobby. Good afternoon. We are moving right along.

M A R I E A. C U R T I S: Good morning. Good afternoon; good morning has flown by.

The New Jersey Environmental Lobby is here today in support of beverage container deposit legislation. We are, as most of you are aware, an organization of some 1200 other environmental groups and individuals throughout the State, who are all concerned with legislation that is protective of our natural resources here in New Jersey. For almost a decade, we have been working toward a bottle bill -- deposit legislation -- to ensure recycling and reuse.

The concept, as we all know, is simple: It is to encourage greater recycling of beverage containers than we currently experience under our own Mandatory Recycling Act. According to our own DEPE -- and these are figures released February 14, 1991 -- in 1989, New Jersey's recycling rate was 39% for glass containers, 31.37% for aluminum, and less than 1% for plastic containers. Now, contrast this with state figures from the nine states which have enacted beverage deposit laws, and you will see that the rates there range from-- The lowest rate is 63% in New York for soda containers. Interestingly enough, they return over 90% of their beer bottles. I don't understand why, but-- In Iowa, there is a 95% return on aluminum, and there is an overall rate of 92% to 97% over the last decade in Oregon.

Now, if other states can average, and they do -- the bottle states average 80% or better in container returns -- why should we expect less here in New Jersey? An 80% return here in this State would more than double the current level of recycling in these particular areas: Doubling the recycling rate for the containers would alleviate some of the pressures on our remaining landfills; would save in disposal costs avoided in tipping fees; and would serve to greatly diminish the amount of litter still found along roadsides, stream banks, and in our parks.

We have had several previous efforts at litter control, but they haven't been totally successful. We still

see the need for crews such as those recruited from our corrections population to scour the roadsides and pick up accumulated trash. If you have ever been part of a community cleanup operation -- I have and I think most of our membership has -- then you would know that most of the litter collected is old, discarded beverage containers. Again, we can avoid costs if we avoid, or lessen, the need for continued cleanups. In addition, we would beautify our communities as a side benefit along the way.

The deposit is a double incentive. It flags the consumer with an added cost if that container is not returned; no cost if it is. In addition, however, it rewards those who seek to clean up their communities with a monetary bounty for doing so. In some places, college students have been known to clean up park and picnic areas for an added income boost between checks from home, and I am speaking here as a mother and the aunt of a medical student in New York State. He found this a very nice way to help himself.

It is also interesting to note that in 1960, 95% of all soft drinks and 53% of all beers sold in this area were sold in refillable glass bottles. The bottles required a deposit. The "no deposit, no return" single-use disposable container did not come into preeminent usage until the end of that decade. Beverage container deposits are not a new idea, as we heard earlier today.

We have also heard that raising the cost of a beverage via the deposit on its container will cause consumers to go out-of-state to purchase these items. That argument, in fact, was raised in the State of Maine prior to the passage of the legislation there. However, there has been no noticeable sales loss since the law was passed. In fact, the redemption rate in Maine is 95%, according to their Department of Environment.

Even a 95% rate, however, allows a sum of deposit moneys to go uncollected. This uncollected deposit amount

could, and perhaps should, periodically be funneled into the county recycling programs to assist with waste reduction in other areas.

This past summer we had an intern from Cook College working with us. I asked him to do some research into the other nine states which have beverage container legislation. Some of his information was compiled in a series of graphs and charts, and I am going to submit that series of graphs and charts with this testimony at my conclusion.

He found some very interesting bits of information. One was that in most of those states that have such legislation, the question was resolved at the polls through the use of public initiatives. We have already heard from Mercer County that such an initiative here in New Jersey went down to defeat. I think that in my own organization we have a very heavy population from the Mercer County area, and I know there was great concern about implementing a bottle bill on a county, as opposed to the State level. So perhaps that vote in Mercer County was not reflective of what the vote might be were it in the State as a whole. It would appear, at least in the other states, that the citizens viewed this as a commonsense approach to the problem.

We have also heard that storage of used containers would result in an increase in vermin and unsanitary conditions in those establishments required to accept them. However, health officers in deposit states have denied those claims. We have some quotes from several. Charles Schade, Health Officer for the State of Oregon, stated: "I never observed any evidence of vermin around beverage containers. In my opinion, the vermin issue is a red herring being raised by the bottling industry." Likewise, Richard Wilberg, Principal Sanitarian for the City of Worcester, Massachusetts, stated: "There is no noticeable increase of vermin in retail or food establishments due to the bottle bill." So I think the experience in those

states which do have such legislation leads us in another direction.

The experience of those states in which such laws exist shows us that it really isn't a measure to be feared. New businesses have sprung up, such as the drive-through soda and beer stores -- I don't know if you have ever seen one of those -- because of the deposits and the need to exchange empty containers for full. Jobs were created in those new endeavors. We heard from somebody in New York who has begun a new business because of this type of legislation. We have learned in our phone calls that in Iowa it was the farming community that pushed for a deposit law, because of the damage done to livestock from ingesting empty bottles.

So, it would appear that bottle bills, far from creating problems, solve many that we already have here today. We firmly believe that beverage container deposits are in the best interests of this State.

I would like to submit to you, along with copies of my comments and those graphs and charts, also a copy of our organization's 1989 "Position on Waste Disposal and Incineration Report," in which we again advocate the passage of a bottle bill.

Thank you. Any questions?

ASSEMBLYMAN McENROE: Thank you very much for your very comprehensive testimony. We appreciate that.

May we have Mr. Lloyd Curtis, representing the Pepsi Cola Bottling Company? Mr. Curtis, do you care to testify?

L L O Y D C U R T I S: Mr. Chairman, I appreciate the opportunity to speak. However, I feel that Jim Sidie spoke very eloquently and in great depth on the position of the soft drink people in New Jersey. As you know, all of the companies do operate here in New Jersey -- all the leading companies. I

think you probably would appreciate a little time being given, and I give you that time.

I thank you for the opportunity.

ASSEMBLYMAN McENROE: Thank you, Mr. Curtis, for your testimony.

Now we will have Jack Charlton, Monmouth County Friends of Clearwater. Mr. Charlton?

JACK CHARLTON: Thank you very much, Mr. Chairman. I appreciate the opportunity to be here. I am a member of Monmouth County Friends of Clearwater, a local, all-volunteer nonprofit environmental group.

Clearwater strongly supports a bottle bill for New Jersey, and we applaud your efforts to consider bringing it into being. Since mid-August, we have been collecting signatures on a petition for a bottle bill. To date we have collected about 400 of them. Even I was amazed that we have encountered only three individuals who have expressed opposition to the concept. You have a copy of my testimony there. That says "two individuals," but we ran into another one yesterday, a gentleman who said he was opposed to the bottle bill because he "didn't want the homeless rummaging through his garbage." I don't know, but presumably he would prefer that the homeless become so desperate that they might go rummaging through his house.

I would like to raise three points this morning, and I will try to take as little of your time as possible. You mentioned that you love visuals. I don't think you are going to love these visuals. I have some snapshots we have taken around Monmouth County. They are, I think you will agree, rather horrible, and I have a very simple question: What are we going to do about it? Can we expect New Jersey's billion-dollar tourist industry to continue to prosper if we permit these conditions to persist? Can we afford to wait until we have reeducated the last of the litterbugs? Can we

afford to send the message that it is okay to litter because we are paying someone to clean it up?

Obviously, we feel that a bottle bill must be a part of the solution. One simply does not see the conditions in these photos in the six states around us which have such legislation. New Jersey cannot afford to delay joining our neighbors in cleaning up this most persistent type of litter.

Secondly, I would like to introduce just a bit of information concerning the possible impact of a mandatory deposit law on New Jersey industry. The container industry, in particular the glass bottle manufacturers, have been outspoken in opposition, claiming various dire consequences, including substantial price increases and loss of industry jobs. I suggest to you, gentlemen, that after days of testimony, you are still not going to know exactly what the economic impact of a bottle bill would be, but I would think it might be instructive to look at, at least a small free market example.

Unfortunately, deposit bottles have become a rather rare commodity in New Jersey, but I did find a retailer up in Morris County which handles 11 different types of beer in each of three types of 12-ounce containers; that is, a returnable, reusable bottle, cans, and nondeposit bottles. If we average the 11 different types -- the cost per case for the 11 types of beer -- we get the following results: Deposit bottles, case average \$11.15 -- and this is in my testimony, including the details; cans, \$11.08; nondeposit bottles, \$12.44 -- the average of 11 different types.

It should be noted that deposit bottles comprise a small fraction of total beer sales. Further cost reduction with increased volume could reasonably be expected. From this admittedly very limited data base, it appears that in a free market situation, deposit bottles are cost competitive with cans, but nonreturnable bottles are not. This tends to confirm a conclusion that has probably been intuitively obvious, that

the glass container industry is hemorrhaging basically because it is not cost competitive. It also suggests the possibility that a market shift toward reusable bottles might just benefit the glass industry by returning it to a competitive position, and hopefully a properly written bottle bill will have the effect of encouraging greater use of returnables -- or, refillables.

I was recently over in Denmark, and throwaway soda and beer cans, or bottles, are virtually unseen over there, and that country is just infinitely cleaner than ours.

The results also show that this particular retailer is able to handle deposit containers at a price that is competitive with throwaways. Hence it is hard to believe that a cost increase is a necessary by-product of a mandatory deposit.

I believe my micro-example supports, and is supported by, the findings of the Rockefeller Report, which stated: "It is not correct to extrapolate from a publicly available price survey that beer prices have increased 18% post bottle bill. The 18% price increase in premium beer, as measured in the surveys, included some major delayed price adjustments by brewers. Also, the price surveys, being keyed to the premium beers, do not factor in smaller price increases at the important subpremium level in the recent strong price competition in that category. All evidence suggests that prices either stayed stable or declined post bottle bill.

Finally, I would like to say a few words about the manufacturers' responsibility toward recycling. I am sure you are all familiar with the brick pack. It is a composite of three types of materials and, in spite of some industry hype, it is virtually nonrecyclable. You may be somewhat less familiar with a relatively recent development, which is the essentially monolithic plastic bottle which is actually a composite of different layers of different plastics. Some of

these consist of up to 12 layers of different materials, each tailored to provide properties such as: strength, low permeability, compatibility with the contained product, and external appearance. They are a marvel of engineering, but a recycling monster.

I mentioned at the outset that only three people that we have encountered expressed opposition to the bottle bill. One was a woman who works for government in recycling, who says we should expand our recycling program to take care of the problem. Gentlemen, I claim that no matter what government does to promote recycling, the ingenuity of American industry will always cause the problem to expand beyond the solution. If it is not the multilayered plastic or the brick pack, it will be something else.

The only way to get this under control is to require the manufacturer to take the item back. Only then will the full life cycle cost -- production, distribution, and disposal -- be entered into the equation. The package manufacturer now has no economic incentive to concern himself with the cost of disposal. I agree with the gentleman from Mercer County. I also like the idea of less involvement of government in my life. I don't like my tax dollars spent to pull someone else's chestnuts from the fire. The problem is basically between the producer and the consumer. Let them solve it. Let us put the responsibility where it belongs, and put New Jersey with our neighbors in requiring a deposit on beverage containers.

I thank you, gentlemen. Are there any questions?

ASSEMBLYMAN McENROE: Thank you, Mr. Charlton. We appreciate your comments. Any questions from members of the Committee? (no response) Again, we appreciate your use of visuals, too. That seems to be a treat for the Committee. I appreciate that.

Jean Clark? Jean is very active in recycling matters in our State, representing the New Jersey Recycling Forum and the Essex County Solid Waste Advisory Council. Good afternoon.

J E A N C L A R K: Thank you for the opportunity to make a few comments on the several pieces of legislation you are considering today, and beverage container deposit legislation in general.

Over the years, there have been too many arguments used by proponents. The first supports the use of container deposits as a litter reduction strategy. It is an emotional argument, because most of us find litter offensive and due to the laziness of others. Litter is particularly disturbing to our sensibilities when it occurs in parks and natural areas. This is the argument which spurred passage of the first beverage container deposit legislation in Oregon in 1972, and which has been successful in other states since then.

The second argument is that deposit legislation is also a good strategy to reduce the amount of solid waste. And until New Jersey passed its Recycling Act in 1981, it was the only statewide waste reduction strategy in use. Now the question for other states to answer is: Which strategy is the most efficient and economical? For New Jersey, we must ask whether adding deposit legislation to our current comprehensive, mandatory system will hinder or help us to reach our 60% recycling goal, and at what cost? This is the question I wish to discuss with you today.

Let's look at what we are doing now. The year 1990 was the first full year of implementation of mandatory recycling in New Jersey. During 1990, many communities expanded their recycling programs to include curbside collection of glass and aluminum, while others added plastic and tin cans to existing curbside programs. Some preliminary, though unaudited, data from municipal tonnage grant applications is now available. I have used this data in an information sheet which is attached to this written testimony, but I would like to give you the highlights.

Parenthetically, there is no state which has worked more diligently than ours to come up with accurate and detailed data relating both to solid waste generation and disposal and recycling activity. While New Jersey data still may not be as complete as we would like, the data from other states is probably not comparable and considerably less reliable.

Using preliminary, unaudited 1990 tonnage grant figures, plus the June update of the statewide Recycling Projections prepared by DEP and the Arthur D. Little Beverage Container Survey commissioned by the Office of Recycling in 1989, we find that:

1) All containers, i.e. glass, plastic, tin, and aluminum, including containers for all uses, amount to 4.9% of New Jersey's total waste stream. Of these, 48% are beverage containers, which is 2.3% of the waste stream. "Beverage" is here defined to include all drinkable liquids, i.e. milk, soda, beer, wine, liquor, water, and juice, the same definition used in four of the bills we are discussing today. The fifth deposit bill -- A-90 -- sponsored by Assemblyman Albohn, limits deposits to soft drinks and beer and to glass and aluminum containers only. This is pretty much what happens in a lot of other states. It appears to be directed more to the litter problem than to solid waste.

2) The 1990 recycling rate for glass and aluminum containers -- all glass and aluminum containers -- appears to be 65%. It is 20% for tin, and 5% for plastic. The combined rate for all materials -- all containers -- is 43%. While less than half the container material available for recycling is beverage containers, it is probable that a fairly high percentage of the container material going into recycling trucks is. My guess is 80% to 85%, although there is no data to confirm it. This is particularly true in the case of plastics, since the majority of programs which include plastics only collect soft drink and sometimes milk containers. The

recycling rates for all beverage containers would therefore be higher than the rates I just gave you -- much higher in the case of plastics. The amount of tin cans recycled is four times the total amount of tin or bimetal beverage cans that are even generated in New Jersey.

3) If one assumes a 75% return rate under proposed deposit legislation, the yield would be only 36% of the total container stream. And in 1990, 46,000 tons less material would have been recycled than was recycled under our current program. I think a 75% beverage container return rate is extremely optimistic when you define "beverage" as broadly as these four bills do. The only deposit state to come close is Maine, which, however, joins all other deposit states in excluding milk. Incidentally, Maine's deposit law is under attack now because a new University of Maine study estimates collection costs to be 10 times greater than for a comprehensive recycling program such as New Jersey's. New York has a return rate of less than 75%, although only beer and soft drinks are covered.

Would a combined system which adds container deposits to our comprehensive, mandatory one increase the amount recycled, while lowering costs as some have claimed? I don't think so.

There seems to be a perception that container deposit system costs are qualitatively different from other costs. They are paid, after all, by the lazy, the uninformed, and the uncooperative who do not return their soda, milk, wine, and beer bottles, but prefer to strew them about the landscape instead; not by the conscientious, hardworking, responsible, all-around good citizen who is also a taxpayer. This can be enticing to elected officials because it avoids the dreaded "T" word.

In New Jersey escape will not be so easy. The net cost of collection and processing of recyclables is in large

part a municipal responsibility. It is subsidized by the market value of the materials recycled. If this subsidy is reduced by removing a third of the container stream, but this third carries most of the market value, then the subsidy will have to be made up by the taxpayer. Many intermediate processors require a minimum percentage of aluminum cans in commingled loads. Don't forget the cost to the State to administer the program. Two of the bills -- A-2201 and A-3523 -- would return unredeemed deposits to the State, but they also require monthly reports from every retailer accounting for these deposits and the number of containers handled. There is no estimate of the costs of this enormous administrative burden either to the State or to the retailer. It would certainly create a lot more paper to be recycled, however.

New Jersey's recycling program is the best in the country. It will continue to grow. This year, it has been expanding from the residential sector to include more businesses, schools, and other institutions. Additional State efforts in market development are needed to absorb the greater quantity of materials being collected. Energies should be directed to the recycling of more types of materials. We have gotten as far as we have by not choosing the bottle bill approach, but by selecting a comprehensive program instead.

A net gain in capturing recyclable materials by adding any bottle bill now is questionable. Containers returned for deposit will most likely be taken from municipal collections, but an increase in cost is inevitable and would be substantial. It is disingenuous to discount the cost to the public because the pocket it is paid from is not labeled with a "T" for taxes. To count the costs of this parallel collection system, start in the home with the added storage requirements to keep deposit containers separate from each other and from other recyclables. Add the cost to the retailer for storage, sorting, and accounting, and to the distributor for trucking

and processing, and to both State and local governments for inspections and administration. These are real costs and they are paid from the pocket marked "U," which stands for "Us."

ASSEMBLYMAN McENROE: Thank you very much. We appreciate your well-prepared testimony. Any questions from members of the Committee? (no response) Thank you, Jean, very much.

We will now have Peter Furey, representing the New Jersey Farm Bureau. Mr. Furey? (no response) Oh, I'm sorry. We have Paul Bontempo -- pardon me -- of the Distilled Spirits Council of the United States. Mr. Bontempo, good afternoon.

P A U L B O N T E M P O: Thank you, Mr. Chairman. For the record, I am Paul Bontempo from Martin-Bontempo, representing the Distilled Spirits Council of the United States. Mr. Chairman, Committee members: Thank you for providing this forum. Although it is quite out of character for me, I promise to be brief in the interest of time.

The Distilled Spirits Council believes strongly, and we feel experience has shown, that the honorable goals intended to be reached by deposit bottle legislation are not attained and, in fact, that the legislation is ultimately counterproductive to the very goals it intends to reach. We would like to applaud Assemblyman Albohn for reassessing his position on deposit legislation, in light of the strong success of New Jersey's Mandatory Recycling Program. And, most importantly, we would like to applaud the New Jersey Legislature for enacting the most comprehensive and really the premier recycling program in the nation.

Mr. Chairman, Committee members, let us not make the mistake of taking a however well-intended, but nonetheless step backwards. Let's continue to move forward and keep New Jersey out-front on this issue and set the pace for the rest of the country.

Thank you.

ASSEMBLYMAN McENROE: Thank you, Mr. Bontempo. Are there any questions for Mr. Bontempo? (no response)

MR. BONTEMPO: I have prepared testimony for the record.

ASSEMBLYMAN McENROE: We have a copy of your prepared testimony, which we do appreciate. Thank you very much.

We have, representing the New Jersey Glass Recycling Association, Mr. Mel Hintz. Good afternoon, Mr. Hintz.

M E L H I N T Z: How are you, sir?

Chairman McEnroe, distinguished members of the Committee: Thank you for giving our Association the opportunity to appear before the Committee today. In the interest of time, sir, I am going to eliminate -- or rather, skip over some of the information that is in this prepared text, because it has already been discussed very well by others.

The New Jersey Glass Recycling Association is opposed to what is commonly called a "bottle bill." History has shown that forced deposit laws are a wasteful expenditure of time, money, and energy. That is why 41 states have rejected forced deposit bills over the past 20 years. No state has adopted deposit legislation since 1983.

The legislative trends surrounding forced deposits in recent years have seen dozens of unsuccessful initiatives. Recently, a proposed forced deposits was defeated in Montana by four to one. This year, Congressman Paul Henry of Michigan is again sponsoring a Federal bottle bill, and although he has had two years to work on it, he now has fewer cosponsors than he had last year at this time when he offered the original bill.

But let us look at New Jersey. Those New Jersey residents who have already had the opportunity to express their feelings about a bottle bill via the ballot box, have rejected it. Just three years ago, Mercer County residents defeated forced deposit initiatives by three to one.

With that, let us look at what is happening to glass recycling in New Jersey. According to the New Jersey Office of Recycling figures, in 1988, the first full year of mandatory recycling in this State, New Jersey residents recycled 33% of the glass containers in the solid waste stream. And I am talking about all glass containers, not just those that would be affected by a deposit bill.

In 1989, our citizens raised this figure to 53%, and it appears that the figure for 1990 will climb to 65%. No bottle bill state can compare with that, including those that have been trying for years. It is inconceivable that one would want to interrupt a goose that is laying a golden egg.

If the purpose of forced deposits is to reduce the volume of solid waste, it has proved inadequate. According to the U.S. Environmental Protection Agency, beverage containers comprise only 3.5% of waste by weight, and only 2.5% by volume. So the solid waste stream is minimally affected by deposit laws.

Since New Jersey is already recycling two-thirds of that 3.5%, that brings it down to less than 1.2%, and as we zero in on the 90% recycling target for glass, we are talking about less than 1% of the glass containers that would be affected by forced deposits.

State and local governments across the country, and indeed those from around the world, are looking at New Jersey's Recycling Program. It is interesting to note that no state that has a recycling program has elected to add a bottle bill, but there are states that have bottle bills that have seen the need to add recycling programs. Forced deposits also undermine recycling programs. The U.S. General Accounting Office study released last November concludes that a mandatory beverage container deposit law could hurt curbside recycling programs by reducing their overall operating revenues anywhere from 15% to

40%. It also states that curbside and deposit systems in combination are more costly than either one alone.

In 1989, a study by Franklin Associates, Ltd. noted that operating both a forced deposit law and a comprehensive recycling program in the same area can be significantly more expensive to taxpayers. Looking at two forced deposit states: In Vermont, the costs doubled, and in New York, the cost is 2.5 times as much. One problem with the deposit law existing with a curbside recycling program is that the deposit law revenues remove a substantial portion of the recycling program revenues. Jean Clark and others have discussed this, so I won't go into that further.

Is the argument that a bottle bill deposit will combat litter by cleaning up New Jersey cities, towns, and countrysides? If so, we must take a look at the comprehensive 1989 New Jersey Litter Survey conducted by the Division of Solid Waste Management's Clean Communities Program. It showed that as far as glass beverage containers are concerned, if they were all picked up and turned in for deposit, they would account for 0.8% of the total litter out there. That is not 0.8% of the solid wastes, but 0.8% of the litter. If that is the case, there would probably be more merit in imposing a deposit tax on candy bars, since their wrappers are among the paper products that make up 29% of New Jersey's litter.

Mr. Chairman, members of the Committee, thank you very much for giving us the opportunity to appear before you.

ASSEMBLYMAN McENROE: Thank you, Mr. Hintz. We appreciate your comments on behalf of the Glass Recycling Association. Are there any questions? (no response) I don't believe there are. We have your testimony for the record. We appreciate your coming before our Committee.

MR. HINTZ: Thank you.

ASSEMBLYMAN McENROE: There are a few more people who wish to be heard. Eileen Kean, representing the New Jersey Licensed Beverage Association. Ms. Kean?

E I L E E N K E A N: Thank you, Mr. Chairman; thank you, members of the Committee, for allowing me this opportunity to speak today.

My name is Eileen Kean, and I, too, will try to keep things as brief as possible. I am speaking today on behalf of the New Jersey Licensed Beverage Association, which represents 8000 taverns, bars, cocktail lounges, restaurants, hotels, and bowling centers throughout New Jersey.

The New Jersey Licensed Beverage Association has opposed, and continues to oppose, all legislation that provides for a statewide deposit and refund system for beverage containers. There is absolutely no reason to burden the public, retailers, and distributors with the enormous inconvenience and cost of a beverage container deposit law. Such a proposal is discriminatory in the sense that it penalizes the vast majority of our citizens who do not contribute to the litter scene.

If forced deposit legislation were to go into effect in New Jersey, it is inevitable that the price of beer and soda would escalate. I think Chairman McEnroe referred to that earlier. The consumer would pay the cost of the deposit, plus the higher purchase price. The increased cost would be necessary to offset the doubling handling costs and labor and equipment costs experienced by the wholesalers and retailers. Such laws actually cost consumers millions of dollars every year in each state where they have been enacted.

Furthermore, it will also hurt the State of New Jersey, because if a deposit law is passed -- and as I mentioned, beer prices will rise and soda prices will increase -- consumption will drop. It is inevitable. Ultimately, this is going to cost the State of New Jersey millions in lost sales tax revenues, which are derived from the sale of alcoholic beverages.

Litter can be stopped more efficiently through recycling. Our municipalities should continue to expand their recycling efforts. Furthermore, I would like to congratulate Assemblyman Albohn, because a bottle bill; as he stipulated, will only partially attack the problem of the solid waste stream, and will still leave litter on our highways and in our public places.

I can't help but bring up a story that Assemblyman Albohn reminded me of when he was referring to the type of waste that is on our beaches in New Jersey. I am a resident of Monmouth County, and I will never forget the day a few summers back when my daughters were playing on the beach. I thought they were coming up with shells while playing in the sand. Unfortunately, they filled their buckets with Tampon applicators, and those were the only things they had in their buckets. It is a scary reality, but that is what has happened to our beaches.

From the standpoint of New Jersey's on-premise licensees, our fears concerning deposit laws are based on the certainties of the past, when returnables were the only containers. As a child I can recall going anywhere to find a bottle. These bottles were very dirty and obnoxious. Deposit laws would bring to the taverns a mess of unwashed, smelly, and partially filled containers, and I don't think that is what we want lingering in our restaurant and tavern establishments. We don't need dirty bottles around; in short, a perfect breeding ground for disease-laden rodents and insects.

Furthermore, many establishments do not have the room to store these containers, as was mentioned earlier. The immediate problem would be one of sanitation. The immediate effect, because of the time and cost involved, would be a tax, a deposit tax on the public in the form of higher prices for both beer and soda.

I thank you for giving me this opportunity to speak on behalf of the New Jersey Licensed Beverage Association.

ASSEMBLYMAN McENROE: Thank you very much, Ms. Kean. Does anyone on the Committee have questions for the person testifying?

W I L L I A N J E R L A T: Mr. Chairman, I would just like to add one thing to that.

ASSEMBLYMAN McENROE: Yes, Mr. Jerlat?

MS. KEAN: This is Bill Jerlat. He is with the New Jersey Licensed Beverage Association also.

ASSEMBLYMAN McENROE: Why don't you join us for a moment then and we will have your testimony for the transcript?

MR. JERLAT: All right. I would just like to add one thing. I am Bill Jerlat, Political Action Director for the New Jersey Licensed Beverage Association.

One of the programs we have been involved in as far as licensed beverage places -- that's hotels, motels, restaurants, bars, etc. -- is a recycling program whereby-- We have companies out there right at the present time that are recycling the glass. There are machines put into a bar -- on a licensed premises. The bottles are thrown down a chute; they are crushed; they are taken outside and put in the back. A company comes around and picks up all the glass. The municipality gets a fee for each ton of glass that is recycled that way. The program, right now, is working very well. It is running through different sections of the State, and hopefully, if this continues and is expanded, I think we are going to see one way of getting rid of a lot of this stuff that is being recycled.

I thank you.

ASSEMBLYMAN McENROE: Thank you. I appreciate both of you, and your testimony is important to us. Thank you.

Is Audrey Winzinger, Association of New Jersey Recyclers, here?

A U D R E Y W I N Z I N G E R: Hello.

ASSEMBLYMAN McENROE: Good afternoon.

MS. WINZINGER: Good afternoon. I am here today representing the membership of the Association of New Jersey Recyclers. Our Legislative Committee took a poll of our membership on all seven bills. There was strong opposition throughout our membership, which consists of both county and municipal recyclers -- recycling coordinators -- as well as recycling businesses throughout the State. The comments ranged from the fact that the bills would impede the outstanding progress we have made with our curbside collection programs, to the fact that we could possibly be inflicting some type of a waste flow regulation on recyclables, and that we are creating a nightmare for retailers, consumers, and the Office of Recycling alike.

The members initially commented on Assembly Bill No. 281, commending it for putting the responsibility for the packaging on the manufacturer. However, the certification methods seemed as though they would be something that possibly is not able to be tackled by the DEP Office of Recycling at present.

Also, there were complaints throughout our membership that the fund should be used as an incentive to the recycling of the materials, as opposed to the current proposition. Suggestions ranged from predominantly funding some type of source reduction to end product development.

Lastly, our membership questioned the use of biodegradables. Basically, if it is biodegradable, couldn't it possibly be recycled, and who is going to decide about the percentage -- whether or not it is biodegradable and what methods are going to be used?

Assembly Bill No. 1024 was not supported by anyone throughout our organization at all. As a matter of fact, there was unanimous opposition. The feelings were, through the

Association of New Jersey Recyclers, that the Legislature should make the decision on the deposit bills solely based on merit.

The bottle bills also were-- They were opposed by the majority of the membership. Basically, as an effective litter control, no one felt the percentages supported the fact that it was going to be that effective a litter control for that large a percentage of the litter. They overwhelmingly felt that the revenue source-- Although the revenue from the recycling of the bottles currently may not be the entire means of funding their curbside programs, it certainly is a cash cow for them and they are very, very reluctant to see that leave.

So, for those reasons, we are certainly unanimously in support of opposing all of these bills.

ASSEMBLYMAN McENROE: Thank you, Ms. Winzinger. There is one question I think has to be presented to you. The membership of your organization-- Would you characterize your members as volunteers, or are you employees of recycling programs?

MS. WINZINGER: I would say a variety. We have, certainly, a strong portion of our membership that does represent other recycling organizations -- glass recyclers, etc. We have private businesses, certainly which ours is, and then we do have a variety of both county and municipal recycling coordinators. So I think we have a pretty broad base.

ASSEMBLYMAN McENROE: A fairly good cross section. Some of the people -- the voting members -- would be just voluntary citizens interested in the general question of, should we have deposit legislation?

MS. WINZINGER: I am not really sure. I think probably I would have to say the majority of our members, I believe, consists of paid coordinators. However, there certainly is a broad cross section.

ASSEMBLYMAN McENROE: Thank you very much. We appreciate your testimony.

We have a few more people to hear testimony from. Mr. Peter J. McDonough, Sr., New Jersey Soft Drink Association, do you wish to testify?

P E T E R J. M c D O N O U G H, SR.: Very briefly, Mr. Chairman. I am sure you will be pleased with that.

I am Peter McDonough, representing the New Jersey Soft Drink Association. I am speaking to a release that appeared in The Courier-News, which is the newspaper in the Somerset, Middlesex, and Union Counties areas. They run a weekly poll putting out a pertinent question to the time. This week's was: Should Mr. Thomas be appointed to the Supreme Court? But back in August, they put out the question: Does New Jersey need deposits on its bottles?

I read this, and was quite amazed by what I had read. I took it to a meeting last week, and asked all of those who were there -- these were all people who have something to do with the soft drink industry or the returnable or recycling industries-- I asked them if they knew anybody who wrote any of these letters. They did not know anyone. I happened to know just one fellow. I went to school with him. I just want to get the idea across that this was not primed by us or by anybody else. It was run by The Courier-News.

I called The Courier over the weekend and said--

ASSEMBLYMAN McENROE: Excuse me. Do you know the lady who wants to have a deposit on politicians? (laughter)

MR. McDONOUGH: No, I don't know her, but I do want to meet her. She says, "If you don't keep your promises, you won't get your money back."

ASSEMBLYMAN McENROE: I didn't want that for the record, but that's all right. It's in the record now.

MR. McDONOUGH: I'm glad you read that, because I was going to read it. The one I had known here is Jerome Mendel, from Plainfield. In 1943 I went to high school with him. He took the West Point exam, and only MacArthur has outscored

him. Unfortunately, he couldn't pass the physical, so he did not go to West Point.

However, I called The Courier-News yesterday -- day before yesterday -- to find out how they selected the letters they selected. Did they do it on a ratio of either for or againsts? They told me, "Yes, that is the case." They will put in a proportionate number, and they put in those-- After they get the proportion out, they do the balance by the quality of the product. It turns out here that there are eight letters; seven against bottle legislation, and one slightly in favor. It amazes me how much this man knew, because he said, "Much of the recycling effort is not succeeding." He is not reading the same papers I am.

I just want you to know that that is what this is all about. It hasn't been primed up by us or by anybody else. Apparently the public in our area is not favorable -- seven to one.

Thank you very much.

ASSEMBLYMAN McENROE: Thank you very much. We appreciate your comments.

We have also, Sy Green, New Jersey Soft Drink Association. We have three gentlemen representing the same Association.

S E Y M O U R G R E E N: Good afternoon.

ASSEMBLYMAN McENROE: Good afternoon, Mr. Green.

MR. GREEN: Mr. Chairman and members of the Committee: My name is Sy Green. I am employed by the Canada Dry Bottling Company of New York, and presently serve as President of the New Jersey Soft Drink Association, speaking for the thousands of New Jerseyans gainfully employed by our industry.

My company maintains three distribution facilities in North Jersey for Canada Dry, 7-Up, and various other brands. Through a sister company, we also operate a Pepsi Cola bottling

and distribution franchise in Pennsauken and a contract canning plant in Paterson.

One of our brands is Beverages by Hammer, a truly refillable, resealable bottle. Less than 10 years ago, we sold approximately three million cases per year of this product. In 1983, New York State passed forced deposit legislation. We thought that this package was in a position to skyrocket. The consumer, however, thought otherwise. Since it now was mandatory to return beverage containers, this glass bottle became too cumbersome to handle. The consumer wanted the convenience of lightweight aluminum and plastic containers. The result is that sales of this product for 1991 will be less than 500,000 cases; sales in New Jersey will be less than 25,000 cases.

In 1984, when Connecticut went to deposit legislation, one of the major chains approached us and asked us if we would be interested in selling this particular package in the State of Connecticut. Of course, we were interested in business, and we began selling the product in Connecticut. The bottle had a 10-cent deposit; practically all other containers in Connecticut had a five-cent deposit. In less than eight months, we, as a company, had to pull out of the State of Connecticut because our glass loss was insurmountable. We could not afford to keep that package in business in the State of Connecticut.

The City of Clifton had a major bottler, Brookdale Beverages, which produced the same type of refillable container as we did, and they also did approximately the same volume as we did. This company is no longer in existence. Again, consumer rejection of this package caused the demise.

The proponents of beverage container deposit bills want us to believe that these containers are the chief contributor to our litter problems in New Jersey. In fact -- and you have heard this before -- based on a recent litter

survey conducted by Rutgers University, beverage containers constitute less than 1.1% of the litter stream. The bulk of these packages are being voluntarily recycled. By forcing a deposit on these containers, we would be working in conflict with the Mandatory Recycling Act. We would be removing these valuable materials from what is probably the nation's premier recycling program.

Our neighboring State of New York has deposit legislation. It has also passed mandatory recycling legislation. Forced deposits have not significantly impacted New York's waste stream. As a matter of fact, any day, if you would care to, there are a couple of stores in Elizabeth, on our side of the Goethals Bridge, in Bayonne, and on the other side of the Bayonne Bridge, where you will see that 90% of the cars parked out in front have New York license plates on them. They are coming into New Jersey to buy the beverages, and they are taking them back into New York, because they are saving a lot of money.

In closing, I would like to point out that the Pepsi Cola Company is presently constructing a new facility in Piscataway. They will increase their work force considerably to operate this plant. Coca Cola recently built a new facility in Carlstadt. Our industry is investing in New Jersey because the business climate here is good. Let's continue to encourage this type of investment. Let's promote recycling.

ASSEMBLYMAN McENROE: Thank you, Mr. Green. A question from Mr. Duch. Assemblyman Duch?

ASSEMBLYMAN DUCH: Yes. You intrigue me, because I buy Hammer soda.

MR. GREEN: Right.

ASSEMBLYMAN DUCH: I buy it two blocks away from my house. I buy two cases at a time.

MR. GREEN: At Whoopee Beverage.

ASSEMBLYMAN DUCH: You've got it, and I used to go to Brookdale Soda all the time. I will say this to you: Your problem is that the bottles are much bigger than this (demonstrates), and it is difficult to carry an entire case. That's the problem. The problem is not so much that it is a hassle to do. The problem is that it is hard to carry a full case of soda like that with bottles that are bigger than this. You have 24 to a case, I believe, and they are heavy. They're heavy.

MR. GREEN: Twelve -- 12 to a case.

ASSEMBLYMAN DUCH: You're right, 12 to a case, and they're heavy. If it was something like this (demonstrates), 12 to a case, it would be a lot lighter.

MR. GREEN: But in Connecticut when we experimented, it was sold by the individual bottle in the supermarkets, and again, not successfully. In New York, it sold both ways -- individuals and by the case -- and it was still a rejected package.

ASSEMBLYMAN DUCH: I am amazed, because--

MR. GREEN: As a matter of fact, the place where you are buying the package used to be a bottler.

ASSEMBLYMAN DUCH: That's right.

MR. GREEN: And he was forced out of the business, too, because the consumer did not want that package.

ASSEMBLYMAN DUCH: Well, I will talk to you about why he was forced out of business later on, but-- I know a little bit more about the family and everything. But my question is: You honestly believe that the problem there-- I mean, these sell in other states -- bottles this big. Why can't they sell here?

MR. GREEN: The consumer doesn't want it here. The consumer wants the convenience of the other type of package.

ASSEMBLYMAN DUCH: All right. Thank you.

ASSEMBLYMAN McENROE: Thank you, Assemblyman, and thank you, Mr. Green.

We also have Nadine Antebi, representing the Morris County Office of Recycling. Is Nadine here? (no response)

That is the last person who is on our list to present testimony. Oh, I'm sorry, there is one other woman -- Joyce Goldsmith -- Office of Solid Waste Management in Burlington County. Joyce, would you please come forward? My personal apologies; I'm sorry.

J O Y C E G O L D S M I T H: I knew I was going to be last.

ASSEMBLYMAN McENROE: Somehow we overlooked the opportunity of hearing from you. It is nice to see you.

MS. GOLDSMITH: I am here representing the Burlington County Recycling Program, which is sponsored by the Burlington County Board of Chosen Freeholders. I, personally, have been the Recycling Coordinator for Evesham Township for five years, and the Clean Communities Coordinator since its inception. I just wanted to let you know that, because what I am about to read, which is representing the County, I agree with, with my experience in the municipality.

The bills that are being discussed here today, I feel, are the efforts of the New Jersey Legislature to address certain problems; that is, trying to get a deposit on targeted materials, litter control, saving recycling costs, and source reduction. The Legislature is to be commended for its efforts, because these things need to be addressed.

On A-281, a fee on retail sales of containers may be a more reasonable method than dealing with the exorbitant costs of plastic container collection, because municipalities which collect plastic are losing money. At least in our town we are losing money. To put a fee on some of these materials does seem like a solution. However, if it goes back to consumers in the form of a Homestead Rebate, the incentive may not be there.

Perhaps the money should go to counties and municipalities which have to actually collect these materials.

With respect to the conditions for exemptions from the fee, the term "biodegradable" must be more clearly defined. This term is used far too loosely in the industry. A product may be considered biodegradable over a 100-year period, and the natural place for it to degrade could possibly be a landfill. More incentive should be given for the use of containers that are reusable or recyclable. If the term is retained, the bill should incorporate a uniform standard or certification for determining that a product is biodegradable.

On A-1024, there exists among the public a common misconception that deposit legislation will bring a return to the old days, when glass bottles were returned to the quiet corner market for refill and reuse. Back when most of us remember it, it was before the common supermarket, where most of us shop today.

Prior to placing such an issue on the ballot, a major educational campaign must be undertaken to alert the public to the full implications of deposit legislation. Deposit legislation may result in the convenience of curbside collection being replaced by long waiting lines at supermarket redemption centers. In addition, the deposit legislation being considered does not require that the containers are actually recycled or reused. There are no guarantees built in.

On the other bills: Deposit legislation benefits solely as a litter control mechanism, but does not solve the much greater solid waste disposal problem. Deposit legislation does not require that the containers be recycled, and will have a negative impact on current recycling programs in New Jersey.

I would like to mention that back in 1987, when New Jersey mandated recycling, each county was to come up with a recycling plan. I believe all counties have, and they have invested millions of dollars in their plans. As I continue

with this, you will see that this may be counterproductive to moneys already spent.

Revenues from glass and aluminum cans provide the major source of revenues in recycling programs. Aluminum, because it is small and lightweight, is the easiest container to return, so it will be the first to disappear from collection programs. Glass is heavy, so people may go away from glass, and things do taste better in glass. Glass beverage containers will then follow, even though these revenues cover 30% to 50% of program costs. The loss of these funds will jeopardize the ability of local governments to continue to operate collection programs. Local programs will still have to cover the same collection routes to pick up the nonbeverage container glass, tin cans, and plastic. Thus, program revenues will drop, and program costs will remain virtually unchanged. The taxpayer will be required to make up the loss of revenues, if the collection programs are to continue.

So, in other words, you are still paying for your collection program locally countywide, as well as, you know, taking back your bottles if you choose to do that.

In addition, counties have invested millions of tax dollars to construct processing systems for the separation of commingled recyclable materials. Deposit legislation will dramatically affect operating revenues, as well as production efficiency, since the facilities have been designed for a certain capacity, and processing costs go up as volumes go down. Again, the taxpayer will suffer.

Many communities and towns deliver their commingled bottles and cans to a private processor, and are paid between \$5 and \$15 per ton. Most private operators require a certain percentage of aluminum in the load as a condition for acceptance, and are also likely to reduce the price paid if plastics are included.

Deposit legislation will remove from the collection program the materials that allow the private processor to pay municipalities for commingled loads. Rather, municipalities will be charged to deliver commingled loads to the processing facilities, and the charge will be passed on to the residents.

The litter problem in the State is being adequately addressed by the Clean Communities Program, which derives its funding from taxes on litter-generating products, such as containers and packaging. Admittedly, the first few years of this program did not show great results, with more moneys being spent on vehicles than on actual litter pickup. However, with better program administration, the Clean Communities Program has proven to be a very effective means of managing litter.

On the contrary, deposit legislation has not been found to be an effective means of controlling litter. Deposit legislation promoters often cite the effectiveness of bottle bills in the New England states. It must be noted that these states are far less populated than New Jersey, and still spend money to remove litter. Maine is considering repealing their bottle bill because its costs exceed \$200 per ton.

I would like to interject here, we have heard some comments on the Clean Communities Programs; some for them and some against them. It really depends on how you use the funds that you are given to deal with. In our town, we have an Adopted Roadway Program, as you see in some of the southern states. It has been extremely successful. What is happening is, we have 13 organizations that have adopted 17 miles of highway in our municipality. The county, through its OTC program, which Mr. Shinn mentioned earlier, is picking up from our county roads. What is happening is, the tax that is collected from litter-generating products-- We are, in turn, giving this money back to volunteer groups which are out there, you know, picking up this litter.

We have noticed that-- If I had had time, you know, to have prepared this, I would have, but each group, when they go out, must fill out a form for me that says how much is litter and how much is recyclable. By far -- at least two to one, and oftentimes three to one -- there are more bags of paper, polystyrene, you know, that kind of litter, than there are bottles and cans.

Another important point is that litter consists of more than beverage containers -- basically what I was saying. Based on one county's litter survey, roughly one-third is noncontainer glass; one-third is alcoholic containers; and one-third is nonalcoholic container glass. Given the extreme penalties in New Jersey for driving with an open container of alcohol in a car, it is doubtful that the person who drinks and drives will risk a \$200 fine for a 10-cent deposit.

The legislation being considered today proposes to institute an extremely expensive and cumbersome deposit system to address only one-third of the litter on our roadways. We will still have to spend the same amount on litter removal and the same amount on recycling. However, recycling will cost us more, and the deposit system will also have a price.

Efforts of the State, counties, and municipal government over the past 10 years have resulted in a rapidly growing recycling system and improvement of litter programs through Clean Communities. Deposit legislation is unnecessary and will significantly set back our recycling efforts. Moreover, the 60% recycling goal established by the Governor will certainly not be achievable by 1995, depending on how you call 60% recycling goals.

As a final note, it does not appear that the legislation addresses drink boxes. The consumer will favor a nondeposit container, so the legislation will drive consumers away from readily recyclable containers to ones that, despite

claims by the industry, will be difficult, if not impossible, to recycle. Those drink boxes are what are littering the roads.

My suggestion is that addressing these issues of trying for source reduction and putting the burden where it should be-- It is the manufacturers and retailers which want to make money off of us, the consumers, who should be willing to bear most of the cost. Those of us consumers who insist on convenience should pay a fee accordingly, if we insist on the convenience, and let that money then go back to municipalities and counties to help with their recycling programs.

ASSEMBLYMAN McENROE: Thank you very much, Ms. Goldsmith. We appreciate your testimony and your insight on the various questions before the Committee.

I don't believe anyone else wishes to be heard, or to offer testimony this afternoon on this group of seven bills, all impacting on beverage container deposit legislation. So this, for the moment, concludes our hearing.

I would invite the members of the Committee to provide comment for our staff relative to your response to today's hearing. I want to prepare for our colleagues in the General Assembly a synopsis of today's hearing. Then, of course, the transcript will be available in a period of time of the exact testimony offered during today's hearing.

This hearing really dissects a very important public policy issue. My position is really at this moment to listen to the testimony. I can say I registered disappointment with some testimony relative to the success of the Clean Communities Act. I don't think the Clean Communities Act has acted -- or has provided the kind of incentive that our communities need, nor the results that we had expected. This does remain an important part of the public agenda in New Jersey. We have states surrounding us where container deposit legislation is a reality. None of those have been repealed. So it remains a viable public question that responsible legislators must

address. I think we will continue to do that, and I think forthwith we will have information packets for our fellow legislators. I will ask our staff, and our membership certainly, to ascertain from our colleagues their position and their interest in this particular subject.

With that, we will conclude our hearing. Anyone who wishes to offer additional testimony, please do it within the next five days. Provide it to Leonard Colner, our aide on this particular issue from our Committee staff. Of course he is here in the-- What are we calling this?

MR. COLNER: The Legislative Office Building.

ASSEMBLYMAN McENROE: He is here in the Legislative Office Building, which is newly decorated and ready for action.

We appreciate everyone's attendance. That concludes our hearing. Thank you.

(HEARING CONCLUDED)



**APPENDIX**



Table 1

## STATEWIDE RECYCLING PROJECTIONS: 5 YEAR RATE (THOUSANDS OF TONS/YEAR)

Materials	(1) Total % Waste Stream	(2) Total 1990 Generation	Current Recycling Status:		(5) Total 1995 Generation	Projected 1995 Goal		1995 Residue	
			(3) Rate (%)	(4) Tonnage		(6) Rate (%)	(7) Tonnage	(8) Tonnage	(9) % Total
Yard Waste	9%	1,235	36%	439	1,293	90%	1,163	129	2%
Food Waste	4%	592	7%	43	620	10%	62	558	10%
Newspaper	4%	623	62%	389	653	85%	555	98	2%
Corrugated	6%	820	39%	316	859	85%	730	129	2%
Office Paper	2%	250	60%	149	261	85%	222	39	1%
Other Paper	13%	1,796	0%	0	1,880	20%	376	1,504	28%
Plastic Containers	1%	150	1%	2	157	60%	94	63	1%
Other Plastic Packaging	1%	158	0%	0	165	25%	41	124	2%
Other Plastic Scrap	3%	416	0%	0	436	10%	44	392	7%
Glass Containers	3%	356	37%	131	373	90%	335	37	1%
Other Glass	<1%	69	0%	0	72	0%	0	72	1%
Aluminum Cans	<1%	31	39%	12	32	90%	29	3	<1%
Felt & Closures	<1%	19	0%	0	20	0%	0	20	<1%
Other Aluminum Scrap	<1%	45	11%	5	47	80%	37	9	<1%
Vehicular Batteries	<1%	40	93%	37	42	95%	40	2	<1%
Other Non-ferrous Scrap	<1%	36	75%	27	38	95%	36	2	<1%
tin & Bi-Metal Cans	1%	106	16%	17	111	85%	94	17	<1%
White Goods & Sheet Iron	3%	430	50%	215	450	90%	405	45	1%
Junked Autos (10)	4%	625	99%	619	655	99%	648	7	<1%
Heavy Iron	7%	1,043	99%	1,033	1,092	99%	1,081	11	<1%
Wood Waste	9%	1,285	13%	162	1,346	75%	1,009	336	6%
Asphalt, Concrete & Masonry	16%	2,280	83%	1,884	2,388	90%	2,149	239	4%
Tires (11)	1%	141	4%	5	147	30%	44	103	2%
Other Municipal & Vegetative	4%	548	0%	0	574	10%	57	517	10%
Other Bulky & Construct/Demo	7%	991	0%	0	1,038	10%	104	934	17%

IX  
28



# FACT SHEET

## Reasons For Municipalities To Support A National Bottle Bill

- According to a poll conducted by the U.S. General Accounting Office in 1990, the vast majority of Americans - over 70% - support a national deposit law.
- Over 40 million people in 10 states, or 30% of the people in the United States, now live in deposit law states.
- Only about 2 percent of New Jersey's plastic is recycled, despite the fact that it is acclaimed for its statewide mandatory recycling law. Other bottle bill states, such as New York, are recycling over 60% of their plastic. Bottle bill states are also recycling 80 percent of their glass, as opposed to 35 percent in New Jersey.
- Overall, more than 95 percent of all plastic collected and recycled in the U.S. originates from the 10 states with bottle bills.
- Deposit systems in combination with curbside programs can remove between 16 and 35% more from the waste stream than a curbside program alone, according to a 1989 study performed by Franklin and Associates. This reduction in the waste stream would carry a corresponding drop in municipal collection and disposal cost.
- Curbside programs are difficult and expensive in our inner cities. For example, Newark spends over \$18 million per year for solid waste collection. A bottle bill would reduce solid waste collection cost by over 6%. Hence, a bottle bill would save Newark - a city with a population of approximately 300,000 - over \$1 million per year. A city with a population of one million could expect to save about \$3.5 million in collection alone. This does not even take into consideration disposal cost or the cost of litter removal.

2X

New Jersey State Library

- **The national bottle bill proposed by Congressman Henry would save our communities millions of dollars in avoided costs. A new facet would provide actual revenue to cities. According to the Congressional Budget Office, estimate, \$1 to \$1.7 billion a year could be directed into local coffers. To put it in more practical terms, a city with a population of one million could expect to receive up to \$6 million a year, from unredeemed deposits.**
- **Deposit systems shift the costs of litter collection and disposal, shifting the burden from municipalities to those who produce and purchase the products that end up in our waste stream. Newark, for example, estimates it spends approximately \$3 million annually on litter collection. Deposit systems provide an economic incentive for people to avoid littering and also to pickup beverage containers. This reduces bottle and can litter and injuries resulting from broken bottles. Removing these containers beautifies our parks, reduces litter pickup and disposal costs and makes our streets, parks and playgrounds safe for our children.**

## City of Newark Statistical Analysis of the NJ DEP Office of Recycling - 1989 Verified Tonnage Report

Municipality & Population	Material	Tonnage	% of Total MSW	% of Total MSW (Type 10)	Lbs/Capita
Newark 275,221.0 (1990 census population)	aluminum	827.8	.2	.2	6.0
	asphalt	1,873.0	.4	.4	13.6
	auto scrap	7,415.0	1.5	1.7	53.9
	batteries	92.6	.0	.0	.7
	commingled	2,782.7	.5	.6	20.2
	concrete	0.0	0.0	0.0	0.0
	corrugated	6,481.1	1.3	1.5	47.1
	ferrous scrap	131,049.2	25.9	30.1	952.3
	food waste	1,399.7	.3	.3	10.2
	glass	8,781.9	1.7	2.0	63.8
	hi-grade	2,397.2	.5	.5	17.4
	leaves	4,097.0	.8	.9	29.8
	mixed paper	36,341.0	7.2	8.3	264.1
	motor oil	525.1	.1	.1	3.8
	newspaper	31,263.6	6.2	7.2	227.2
	non-ferrous	16,128.3	3.2	3.7	117.2
	plastic	.1	.0	.0	.0
	stumps	1,968.1	.4	.5	14.3
	textiles	9.5	.0	.0	.0
	tires	3,300.0	.7	.8	24.0
white goods	1,095.0	.2	.3	8.0	
woodchip	5,031.5	1.0	1.2	36.6	
<b>Total:</b>		<b>262,859.4</b>	<b>51.9%*</b>	<b>60.3%**</b>	<b>1,910.2</b>

\* % of Total MSW =  $\frac{262,859.4 \text{ total recycled}}{243,641 \text{ total Newark MSW} + 262,859.4 \text{ total recycled}}$  = 52%

\*\* % of Total MSW (type 10) =  $\frac{262,859.4 \text{ total recycled}}{173,224 \text{ total Newark MSW (type 10)} + 262,859.4 \text{ total recycled}}$  = 60%

# NJPIRG

NEW JERSEY PUBLIC INTEREST RESEARCH GROUP  
State Office, 103 Bayard St., New Brunswick, NJ 08901, 201-247-4606  
Legislative Office, 11 N. Willow St., Trenton, NJ 08608, 609-394-8155

## TESTIMONY OF JUDITH STEWART, NJPIRG, BEFORE THE ASSEMBLY WASTE MANAGEMENT, PLANNING, AND RECYCLING COMMITTEE, SEPTEMBER 23RD, 1991

Good morning, my name is Judith Stewart, I am a Program Associate for the New Jersey Public Interest Research Group. NJPIRG is a non-profit, non-partisan environmental and consumer group with over seventy thousand members. I am honored to be here today and thank you for your time.

NJPIRG has long advocated deposits on beverage containers. The benefits resulting in states with deposits have been widely documented: decreases in container litter, decreases in overall litter, lower litter clean up costs, and fewer injuries to children resulting from broken and twisted containers. These observations are enjoyed by a third of the population of the United States, but are denied to residents of New Jersey. The beverage industry, retailers of beverages and the New Jersey Chamber of Commerce have long opposed deposits. Their rationale is simple.

**Why take part in recycling efforts when I can charge the naive municipality for containers they don't want or need and charge them again for the costs of recycling the containers?**

The beverage industry would have you believe that deposit legislation will bankrupt their business, throw workers out of jobs and raise prices so high that consumers will stop drinking their beverages. While none of these scenarios have proven true in deposit states, the millions of dollars spent

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Other offices in Newark and Camden  
Recycled  Paper

by the beverage industry to spread these myths continue to defeat sensible deposit legislation.

The numerous benefits of Beverage Container Deposit Legislation have emerged over time. Not only are they an effective litter control method, they also reduce the amount of trash going to landfills. Nowhere is it more important to get as much as possible out of our landfills as in New Jersey. Disposal costs top \$100/ton at some landfills, leading to an increasing number of cases involving illegal waste dumping. The time is now to adopt legislation which will take some of the burdens of recycling off of our municipalities and put it on those who insist on using the throw-away container.

### Curbside Recycling

Many arguments surround the question of bottle deposits and their compatibility with curbside recycling. A study by the Tellus Institute for the United States' Environmental Protection Agency, updated in 1990 points out that with both systems in place, a higher total cost is recognized, yet the municipality's share of the cost goes down, with a greater percentage of material being diverted from the waste stream. If New Jersey's goal is to recycle more and decrease their costs of doing it, and I believe that it is, Beverage Container Deposits should be adopted immediately.

6x

As it stands now in New Jersey, municipalities provide either curbside pickup or recycling depots for their residents. While recycling is good for diverting valuable material from our landfills, the bottom line is that **municipalities lose money by participating in recycling programs**. These losses are due to high collection costs, expensive equipment, manual labor to pick up and separate commingled recyclables and few if any outlets where they can get a good price for their recyclables. While recycling is a necessary burden we all have to bear, doesn't it make sense that the industry who creates the waste help municipalities absorb the costs of recycling and take responsibility for the containers they purposely design for consumers to throw out?

Recyclers sometimes oppose deposits because some of the valuable aluminum will be diverted from their operations. While this is true, the aluminum cans they do receive will be worth substantially more. In fact, according to the United States General Accounting Office study,

**"If only 10 percent of a community's beverage containers are recycled through a curbside program, the program could increase its revenues by about 32 percent after a deposit law is implemented if it redeemed the beverage containers it collected rather than selling them as scrap."**

In an article from Maine Times, of August 16, 1991, Denise Lord, Director of Planning for the Maine Waste Management Agency agrees that the scrap value of aluminum is not going to make or break a recycling program. Reports from the front lines of recycling, both in Maine and in states without deposit laws, bear out Lord's assessment, that no curbside recycling system anywhere is supporting itself out of the resale of scrap materials. According to Bruce Walker, recycling manager in Oregon City, Oregon, quote, "It's a myth that curbside programs need revenues from aluminum"

Bottle Bills encourage recycling in low population density areas. It is no surprise that Salem County has the lowest recycling rate of any county in New Jersey. Curbside collection costs to municipalities increase as people become more dispersed. Salem county has some curbside recycling, but does not collect as often as some other counties. This is due to the high cost of traveling long distances to reach residents. Depots are another way to handle recyclables. Although cheaper to operate, the facts are that people are lazy and won't take the time to travel to recycling depots which is why drop-off centers realize a lower recycling level than curbside programs. If people are given a financial incentive, such as is given with a Bottle Bill, people are more likely to recycle and at no cost to government.

8X

## JOBS

Opponents of deposits will tell you that glass workers will lose their jobs as a direct result of laws. Unfortunately, workers in glass plants have been losing their jobs. This however cannot be attributed to enactment of Bottle Bills. The glass container manufacturing industry has been declining for years. As cited in the August 1991 issue of Resource Recycling, Owens-Brockway was one of the few glass plants in New Jersey until it announced its closure in August of 1991. The company cited poor general business conditions as one of its reasons for closure. I'm sure that if we had a bottle bill in New Jersey, this company would be pointing fingers at it as the reason for the plant closure. The fact is, some consumers prefer plastic's light weight and perceived convenience over glass. If we enacted legislation that would put a lower deposit on refillables we could provide the now absent market incentive to consumers to buy glass and help the glass industry in New Jersey.

The decline of the glass industry in New Jersey has given way to an explosion of growth on the plastics industry. Wellman, Inc., located in Shrewsbury, New Jersey, is the nation's largest recycler of post-consumer plastics. Wellman relies on the nine states who have enacted deposit legislation for much of its plastic supply.

9x

In a recent conversation with Dennis Sabourin, a Vice-President with Wellman, who, unfortunately could not be here today, I was told their main source of PET plastic comes from deposits and deposit systems give them the best material because it is source separated and clean.

Source separation makes their operations more cost effective. A Bottle Bill eliminates the need for costly separation measures, saving companies like Wellman money which can be put into operations that increase profits. According to a 1987 prospectus on Wellman, quote

"The availability of used PET bottles for recycling is dependent on deposit legislation. The continued and increasing availability to the Company of PET bottle material is key to the Company's present and future success."

### RECYCLING RATES

Deposit opponents will cite wonderful national figures that a lot of recycling is occurring. Anheuser-Busch tells us that 60% of all aluminum cans and 20% of all plastic and glass bottles are recycled. Too bad 80% of this effort comes from the 30% of residents who live in deposit states. Too bad Anheuser-Busch can't brag about New Jersey specific rates and refuses to change them.

10 X

Despite the beverage industry's lack of participation in New Jersey's recycling efforts, New Jersey recycles more than most other states at 43%. Yet we still recycle below the national average of 58% for aluminum and 19% for plastic. While it's wonderful New Jersey recycles at high levels, let's step back and recognize that municipal recycling, the kind people like you and I do, is at 25% and only half of the glass containers, less than half of the aluminum containers, and practically none of the plastic containers are recycled.

National Recycling Rates		Deposit	Non-Deposit States
Cans	57.5%	80%	48%
Glass	15.0%	40%	4%
Plastic	19.0%	67%	5%

And that's with a mandatory law. A Bottle Bill gives a financial incentive for people to take some of the burden of recycling upon themselves, freeing truck space up for the state to collect other recyclables.

Opponents of deposits will say that a Bottle Bill will only target 2.5% by weight of municipal solid waste. Of course, landfills should be measured by volume, and the truth is that closer to 8% by volume of solid waste is made up of beverage containers. That's 8% taxpayers won't have to pay outrageous fees to dispose of.

11 X

A Bottle Bill is not designed as a cure-all to our solid waste problems, yet people who operate landfills would breathe a sigh of relief if 8% more space were freed up for other goods.

### **CONSUMPTION**

Opponents of deposits will tell you that bottle bills lead to decreased consumption of beverages. The United States General Accounting Office found that consumption decreases cannot be fully attributed to enactment of deposit laws. While beer consumption upon start of the deposit laws decreased in 7 out of 9 states, beer consumption also decreased in 61% of the non-deposit states. The US General Accounting Offices report credits outside factors such as increased drinking ages, greater health consciousness and changing demographics as contributing to the fluctuating consumption patterns.

### **INCREASED COSTS**

The Beverage industry claims that a bottle bill will lead to increased costs to consumers. As Mr. Lomax pointed out with his example about New York, brewers may delay major price increases until after legislation passes in an effort to discredit deposits. In a Resource Recycling article from March 1991 about refillables in Canada quote " The Ontario Soft Drink Association and an employee of Pepsi-Cola in Canada, recently stated that

12x

one of the main selling points of soft drinks sold in refillables was the 30% cost savings to consumers." unquote Further in the same article, it was found in studies done by both Pepsi-Cola and Coca-Cola in 1989 in Canada, both found that 16 ounces of beverage averaged approximately 45 cents in non-refillables and 30 cents in refillables.

In a quick price survey done by myself in New Jersey, I compared the cost of 16 ounce refillables versus 16 ounce non-refillables. I found the non-refillables to be 29% more expensive than the refillables. Manufacturers of beverages are not going to sell a product they can't make a profit on. Pepsi-Cola is showing us they can sell us the equivalent amount of product for less money when bottled in refillable containers.

Cost Comparison for 8 16-ounce containers of Pepsi-Cola beverage:

	<b>REFILLABLES</b>	<b>ONE-WAY</b>
Volume	128 oz	128 oz
Cost/ounce	.028/oz	.036/oz
Total	\$3.65	\$4.65
Deposit	.40	
	—	
<u>Grand Total:</u>	\$4.05	\$4.65
Percent Difference		<u>29% MORE EXPENSIVE</u> (not including the deposit on refillables)

13x

A report done by the University of Maine on deposit legislation was sponsored by the National Food Processors Association, an opponent of deposit systems. Even this study notes that added costs from a deposit system have not necessarily been passed on to consumers. Retail soda and beer prices are nearly identical in Massachusetts, a Bottle Bill state and Rhode Island, where there are no deposits.

### LITTER

Beverage Container Deposits were first enacted as a means of litter control. They have been and continue to be an effective litter control measure. Again citing the United States General Accounting Office study, total reductions in beverage container litter ranged from 51 to 83% by piece, with a resulting 40% reduction in total litter of 40%. On the average 85% of all containers are redeemed for a deposit. Despite mandatory recycling, New Jersey's beaches are littered with cans and bottles. Despite the ban on bottles on New Jersey's beaches, two weeks ago in Point Pleasant, while the Governor was speaking, people took bottles onto the beach. Trash cans were full of bottles and no recycling receptacles were to be seen. It doesn't take a genius to realize some of these bottles will not land in trash cans and end up causing injuries, most likely to children. It's no wonder New Jersey exceeds the national average for container litter on our beaches; we don't have a bottle bill.

14 X

In closing, the beverage industry will get up here and tell you the citizens of New Jersey do not want a Bottle Bill, as evidenced by the outcome of the Mercer County Initiative in 1988.

The quote "Mercer Citizens for Recycling" raised over \$545,000 dollars to defeat this sensible legislation, over half of the total coming from out-of-state contributors. It doesn't sound to me that New Jersey citizens oppose a bottle bill; it's the special interests out to make municipalities spend more for disposal and recycle less than we could.

While the debate rages on, the truths of deposits are clear. Under Beverage Container Deposit Legislation recycling rates increase, litter is controlled, and beverage consumption levels and prices do not necessarily increase. Regarding curbside recycling and deposits, indications are that a greater diversion of materials occurs when a combined system is adopted, at no cost to municipalities. New Jersey cannot afford not to adopt legislation which will save them money. The special interests must become involved in recycling if we are to find an answer to our solid waste dilemma.

Thank you.

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## EPILOGUE

Isn't our ultimate goal to first reduce, then reuse, and lastly, to recycle?

Bottle Bill states have a higher percentage of their beverages in refillable bottles, the ultimate containers in reduction and reuse. In the late 1950's, trippage rates for refillable bottles were approximately 50 trips. Today's average is 8.5 trips per bottle, with good programs having the same bottles reused 20x. Why did they decline? Two theories, a change in consumer preference occurred, and a concerted effort by larger bottling companies to dominate the market took place.

The small, local bottler does not exist in New Jersey today. But refillable bottle systems strengthen local economies. Generally speaking, most refillable bottle plants are located near their distribution areas, thus adding to the number of local jobs. More labor is required at a plant that washes and refills containers than at a plant that uses one-way containers.

New Jersey needs stronger local economies and more jobs. Anheuser-Busch refilled 100 million bottles at its Newark plant in 1990. The technology is there; let's use it.

A deposit system encourages refillables. The lion's share of the

16x

refillable market exists in deposit state, where micro-breweries and American ingenuity thrive.

A return to a refillable system in New Jersey, brought on by deposits, is one of the first steps our state can take in its transformation from a disposable society to a society with an environmentally sound economy. New Jersey needs to get to 60% recycling. Refillables will encourage this and New Jersey can remain a leader in environmental progress.

17 x

■ Table 1 — Estimated draught and container share by state, 1989 (in percent)

State	Metal cans	One-way bottles	Refillable bottles	Draught
Alabama	85	11	1	3
Alaska	61	32	1	6
Arizona	60	27	4	9
Arkansas	79	15	2	4
California	53	35	4	8
Colorado	53	25	6	16
Connecticut	56	15	15	14
Delaware	76	6	6	12
D.C.	55	34	1	10
Florida	68	22	1	9
Georgia	72	22	1	5
Hawaii	63	31	1	5
Idaho	62	16	6	16
Illinois	57	26	2	15
Indiana	72	12	7	9
Iowa	54	11	11	24
Kansas	69	14	3	14
Kentucky	73	17	4	6
Louisiana	72	21	1	6
Maine	56	18	19	7
Maryland	58	29	2	11
Massachusetts	49	17	23	11
Michigan	50	24	14	12
Minnesota	54	19	10	17
Mississippi	75	22	1	2
Missouri	67	19	3	11
Montana	68	15	4	13
Nebraska	64	17	4	15
Nevada	48	40	2	10
New Hampshire	63	29	2	6
New Jersey	45	37	6	12
New Mexico	72	20	1	7
New York	40	35	12	13
North Carolina	67	28	1	4
North Dakota	74	15	2	9
Ohio	57	28	5	10
Oklahoma	72	15	4	9
Oregon	52	22	7	19
Pennsylvania	40	26	12	22
Rhode Island	48	36	4	12
South Carolina	72	22	2	4
South Dakota	72	14	3	11
Tennessee	62	33	1	4
Texas	70	22	2	6
Utah	65	22	2	11
Vermont	50	16	25	9
Virginia	65	25	2	8
Washington	50	27	4	19
West Virginia	72	18	1	9
Wisconsin	53	14	7	26
Wyoming	61	27	1	11

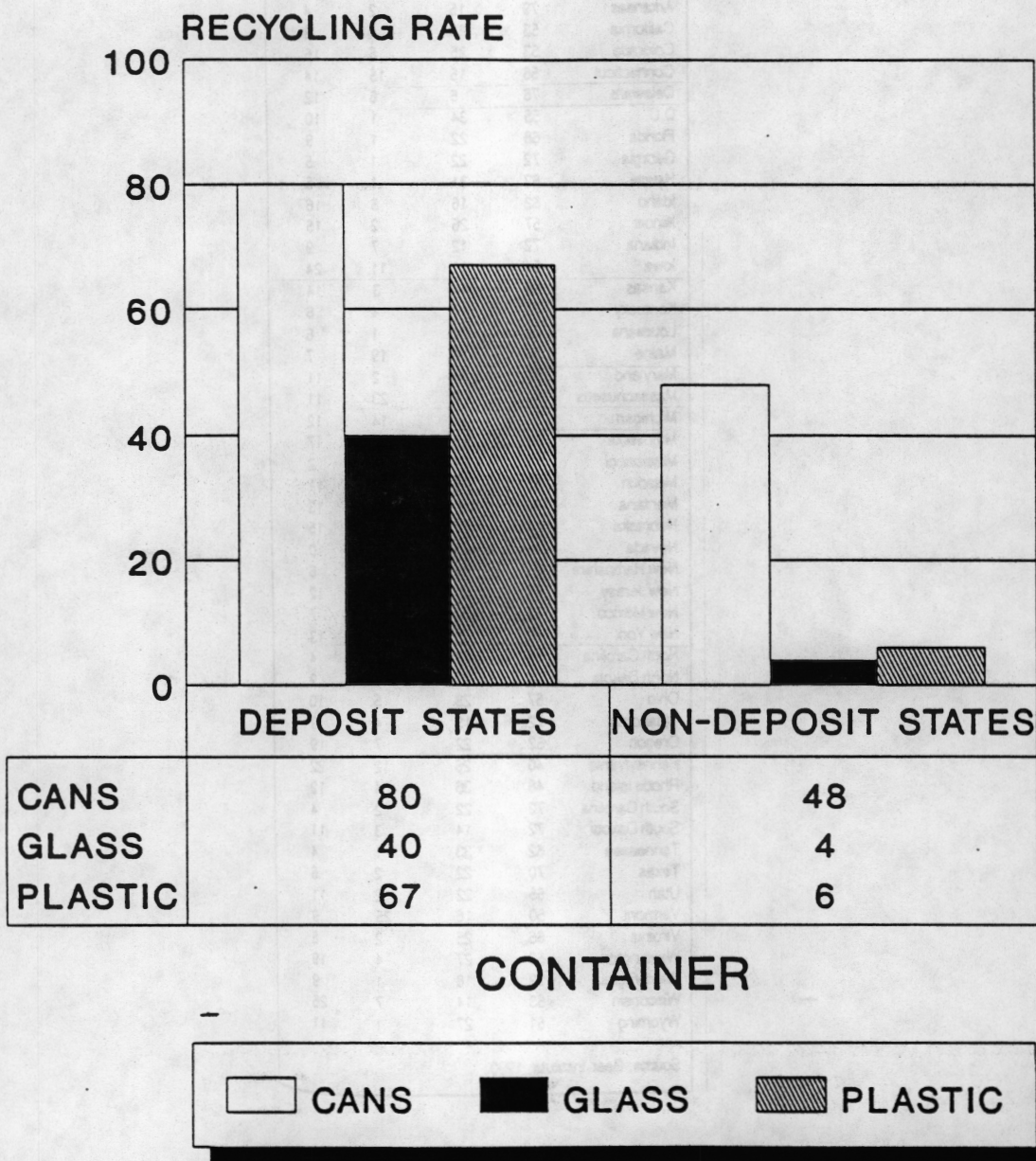
Source: Beer Institute, 1990.

UNDERLINED STATES ARE THOSE WHICH HAVE BOTTLE BILLS

18X

# National Environmental Law Center

## PERCENT OF BEVERAGE CONTAINERS RECYCLED IN DEPOSIT STATES vs. NON-DEPOSIT STATES



Source: ENVIPCO 1989 DATA  
Compiled by NELC

19X

# National Environmental Law Center

## THE BOTTLE BILL AND CURBSIDE - THE POWER OF TWO COMPLIMENTARY TOOLS FOR MAXIMIZING COST EFFECTIVE RECYCLING

"The net benefit to the community is substantially higher when both beverage container deposit legislation and active recycling programs are in place. Thus, the two complement each other and should be seen as compatible tools both for maximizing the results of expenditures for municipal solid waste management and for improving litter control."  
(Journal of Environmental Systems, 1985)

\* A combined recycling strategy of the Bottle Bill and curbside results in greater total diversion of materials from landfills and incinerators. The result is greater savings to municipalities due to avoided tipping fees.

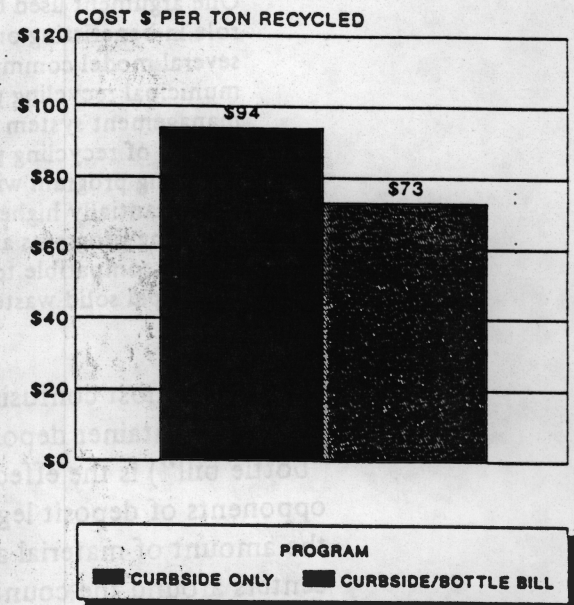
\* The Bottle Bill results in higher levels of recycling without creating additional costs to state and local governments.

\* The Bottle Bill can increase revenues to curbside programs through container redemption. The Director of Public works for the City of Cincinnati reported that the Bottle Bill would reduce the cost of recycling by 25%.

\* The Bottle Bill removes a high proportion of low value brown and green glass containers which are proving to be detrimental to curbside recycling programs. Consider that green bottles have no value to glass processors in the Northeast.

\* The Bottle Bill has been successful as a solid waste reduction method and as a method for changing consumer attitudes towards waste.

PROJECTED IMPACT OF THE BOTTLE BILL  
ON THE COST OF CURBSIDE RECYCLING  
IN THE CITY OF CINCINNATI



Source: City of Cincinnati  
Compiled by NELC

20X

## AN ANALYSIS OF THE POTENTIAL EFFECT OF BEVERAGE CONTAINER DEPOSIT LEGISLATION ON MUNICIPAL RECYCLING PROGRAMS

W. B. CLAPHAM, JR.

*Cleveland State University*

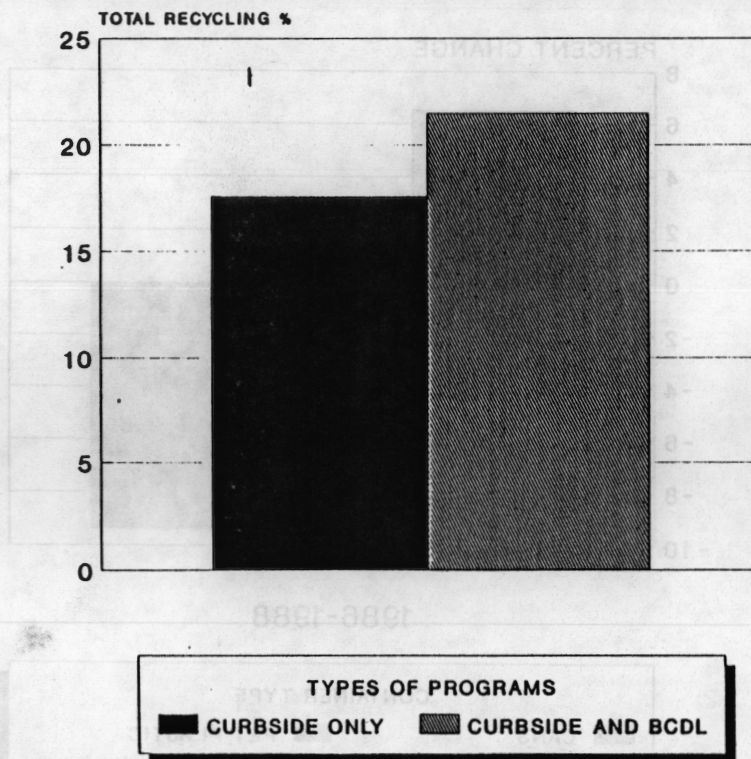
### ABSTRACT

One argument used both for and against beverage container deposit legislation is its role in benefitting or retarding recycling. Using a computer simulation model for several model communities, this article analyzes the effect of deposit legislation on municipal recycling programs, with net benefit to the community's solid waste management system as the "bottom line." Deposit legislation does reduce the net benefit of recycling programs *per se*, but it is unlikely to cause severe damage to a recycling program with an adequate resource base. The net benefit to the community is substantially higher when both beverage container deposit legislation and active recycling programs are in place. Thus, the two complement each other and should be seen as compatible tools both for maximizing the results of expenditures for municipal solid waste management and for improving litter control.

One of the most confusing arguments in the controversy over the role of beverage container deposit legislation (BCDL, more commonly known as the "bottle bill") is the effect of such legislation on recycling efforts. On one hand, opponents of deposit legislation point to the fact that the bottle bill has reduced the amount of material available for recycling in several voluntary recycling centers around the country and submit that it can undermine recycling programs. On the other hand, proponents of deposit legislation point out that experience in various states demonstrates that it increases the level of recycling, often dramatically. In fact, these two perspectives are not mutually exclusive, and both often apply.

This article explores the effect of deposit legislation on municipal recycling and will attempt to resolve this paradox. It will do so using a computer model

## THE STIMULATION EFFECT IMPACT OF THE BOTTLE BILL IN INCREASING OVERALL RECYCLING



Source: GBB & NADA  
Compiled by NELC

## HIGHLIGHTS FROM THE CITY OF CINCINNATI'S ANALYSIS OF A STATEWIDE DEPOSIT LAW'S IMPACT ON THAT CITY'S CURBSIDE RECYCLING PROGRAM

- The report was issued on April 29, 1991 by George Rowe, Director of Public Works for the City of Cincinnati. It has been approved by City Manager Gerald E. Newfarmer.

- In 1990 ...

201,150 tons of waste were generated by Cincinnati residents

10,350 tons of waste (or 5.1% of the total) were diverted by the city's curbside recycling program.

8,660 tons of waste (or 4.3% of the total) would be diverted by a deposit law that recycled 80% of all cans and bottles sold in Cincinnati. Beverage containers account for 10,822 tons of waste (or 5.4%) generated by Cincinnati residents.

*THEREFORE, Cincinnati officials conclude that their curbside program – which costs taxpayers more than \$1 million a year – is only marginally more effective in diverting solid waste than a deposit law – which would cost the city nothing.*

- Projecting the combined impact of a deposit law and curbside recycling, Cincinnati officials conclude:

- Assuming a worse-case scenario, the impact of S.B. 5 on the City of Cincinnati's solid waste management program would:

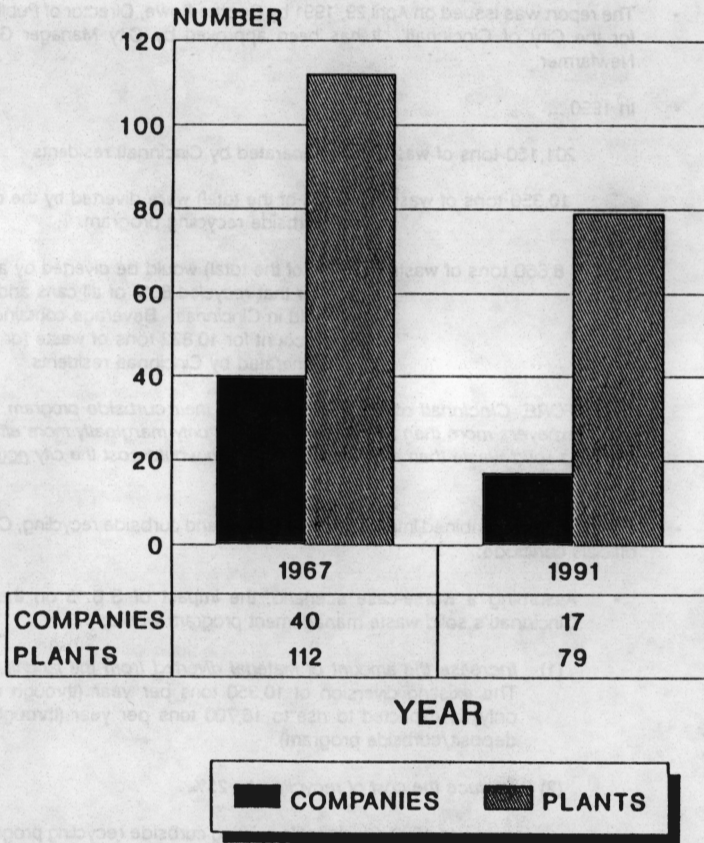
(1) *Increase the amount of material diverted from the landfill by 60%. The existing diversion of 10,350 tons per year (through curbside only) is expected to rise to 16,700 tons per year (through a dual deposit/curbside program).*

(2) *Reduce the cost of recycling by 25%.*

- In 1990, Cincinnati's existing curbside recycling program cost \$93.89 per ton recycled.
- If S.B. 5 is enacted, it is projected that a combined curbside/deposit recycling program would cost \$72.78 per ton of recycled/diverted waste.

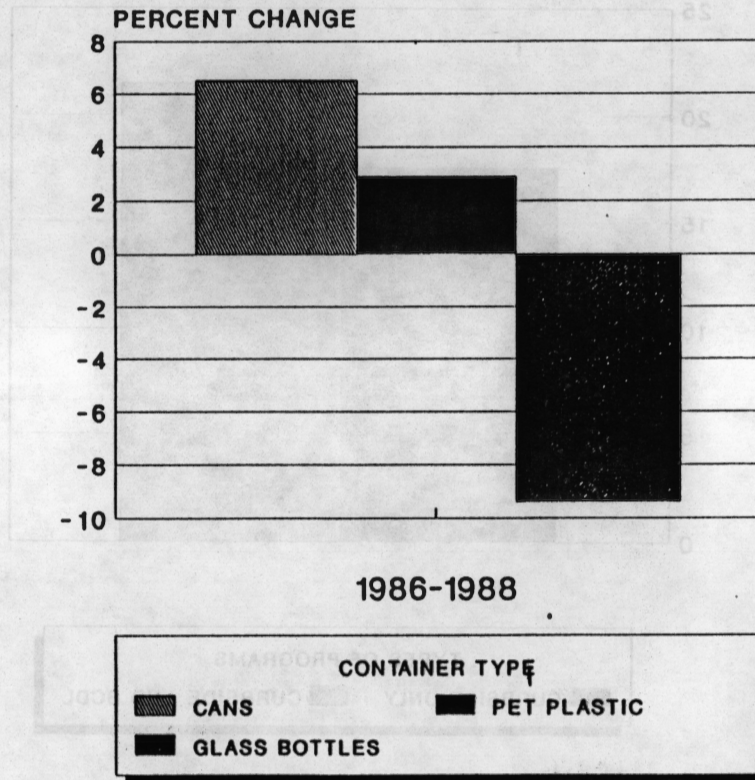
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**THE GLASS INDUSTRY  
A HISTORY OF CONSOLIDATION**



Source: Resource Recycling 6/91  
Compiled by: NELC

**PACKAGING TRENDS 1986-1988  
CHANGE IN MARKET SHARE FOR VARIOUS  
SOFT DRINK BEVERAGE CONTAINERS**



Source: Beverage Industry 1989  
Compiled by: NELC

23X

# National Environmental Law Center

## THE BOTTLE BILL: THE KEY TO AVOIDING UNNECESSARY COSTS

The Bottle Bill creates opportunities for consumers to significantly reduce the price they pay for beverages. Disposable packaging costs consumers in their grocery bills and in the taxes they pay for waste management (disposal and recycling). If consumers were not paying for expensive throwaway packaging and instead could purchase refillable containers, they would realize about a 30% savings in the price they pay for soft drinks and beer.

The best way to promote the use of refillables is to encourage consumers to return their beverage containers, which is exactly what the Bottle Bill does. The Bottle Bill creates a container handling system where bottles are consistently returned to retailers. In fact a refillable bottles are more common in Bottle Bill states. On average, 15% of beer sold in Bottle Bill states comes in refillables compared to 3% in state without a deposit law. In Oregon Blitz-Weinhard has refilled its bottles continuously since the Bottle Bill became effective.

The costs associated with the Bottle Bill have historically been overstated. Opponents of the Bottle Bill would argue that the Bottle Bill results in decreased sales and higher beverage prices. However, research conducted by independent sources does not support such claims.

'Although several studies observed some declines in beverage consumption in states following the enactment of deposit legislation, most of the studies concluded that the declines are short-term and only partially attributable to deposit laws'

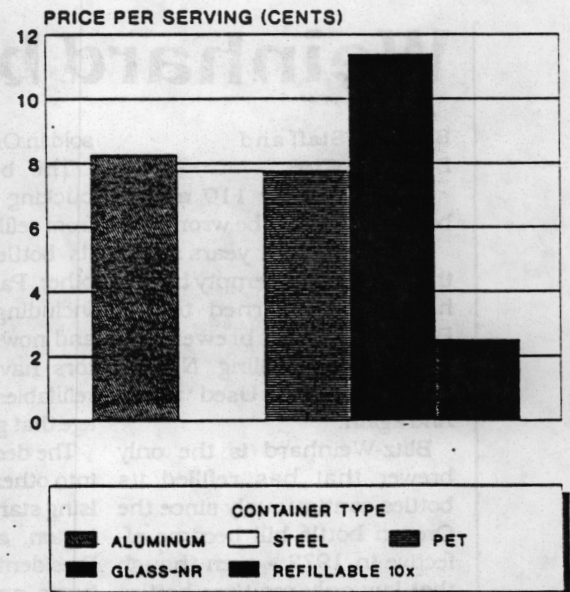
(United States General Accounting Office, 1991)

A 1985 report by the Rockefeller Institute of Government, frequently cited by the beverage industry, concludes the following in regard to price movements:

'It is not correct to extrapolate from the publicly available price surveys that 'beer prices have increased 18 percent' post-RBCL (Bottle Bill). The 18% price increase in premium beer measured in the surveys includes some major delayed price adjustments by brewers. Also, the price surveys, being keyed to the premium beers, do not factor in smaller price increases at the important sub-premium level, and the recent strong price competition in that category. Finally, all evidence suggests that prices either stayed stable or declined post-RBCL.'

(Rockefeller Report, 1985)

THE PRICE OF PACKAGING  
COST OF BEVERAGE CONTAINERS PER  
SERVING OF SOFT DRINK AND BEER



Source: Resource Recycling 3/91  
Compiled by: NELC

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L. MASON NEELY  
  
J. ROSS BEVIS



THE MERCER COUNTY  
IMPROVEMENT AUTHORITY  
210 RIVER VIEW EXECUTIVE PARK  
TRENTON, NEW JERSEY 08611  
609-695-1200  
FAX 609-695-1452

WALTER A. DeANGELO  
Executive Director  
  
Marie A. Gladney  
Director of Administration  
  
James R. Lambert  
Director of Operations  
  
Steven J. Golembuski  
Director of Engineering  
  
James P. Barry  
Director of Finance  
  
William D. Rickett  
Director of Marketing  
  
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Director of Planning

The Mercer County Improvement Authority is the solid waste planning and management agency for Mercer County. We also planned and operate the county's curbside recycling program, one of the most successful of its kind anywhere. Overall, Mercer recycled 56 percent of its waste in 1989, by far the highest of any county in the state. This success can be attributed in good part to our curbside collection. Our residents are required to recycle all metal, aluminum and glass food and beverage containers, PET and HDPE food and beverage and detergent product containers, newspapers, magazines and brown corrugated cardboard. All are collected comingled at the curb.

The Mercer County Improvement Authority strongly urges you to carefully consider any bottle bill legislation and to resist its enactment. When bottle bills were enacted in other states years ago, there were no organized recycling programs. They were designed primarily to combat litter and, successful though they may have been, there is no need today for a bottle bill in New Jersey together with mandatory recycling.

26x



Consider the implications for New Jersey's ambitious recycling goals. The removal of the materials as described in the various bills before us would require a considerable revamping of existing and proposed recycling laws. The recycling percentages for municipal waste and for all waste in general would have to be significantly lowered. A lack of recyclable material would adversely affect all ongoing efforts to open new markets for those materials and to bring these markets, and new vendors, into New Jersey. The recycling industry could be crippled, not enhanced. This state is on the right track with its newfound enthusiasm for recycling and the benefits it holds for our future as part of an integrated solid waste management system. Don't derail that enthusiasm now.

If your concern is to eliminate litter by our roadsides and waterways, remember that we have clean communities programs to combat litter. In Mercer County, virtually all scouting organizations are involved in adopt-a-stream and adopt-a-road programs. The MCIA has recently established a "litter bounty" program which pays non-profit charitable organizations in the county for litter and recyclable containers collected from public access areas such as parks, roads, lakes and streams. This not only provides for the cleanup of litter around the county, but it also provides a source of income for those participating non-profit agencies.

If you feel you must do something, why not have all counties follow Mercer's lead? You will still be accomplishing your goals without causing a great deal of inconvenience to every retailer

27X

and every consumer in New Jersey. Work to increase resident participation in county recycling programs. Increase the amount of Clean Communities funds to encourage more "litter bounty" programs and more community involvement in keeping our towns and counties litter free.

A bottle bill in New Jersey will signal the beginning of the end of our successful recycling programs. The removal of those materials addressed by bottle bill legislation from the recycling programs around the state would remove most of the economic incentive to recycle by eliminating the most valuable of the recyclable materials. Revenues from the sale of recyclable materials would fall dramatically and county and municipal programs will either become too expensive to operate or will impose an additional unnecessary burden on our taxpayers.

One final point. You will note that none...not one...of the individual pieces of bottle bill legislation before you provides that any of the containers addressed in those bills should ultimately be recycled or reused.

We urge the withdrawal of all these bills.

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## EMPLOYMENT IMPACT OF MAINE DEPOSIT LAW

\*(Based on a University of Maine study by Dr. George Criner)

<u>Type of Job</u>	<u>Jobs Created</u>	<u>Annual Gross Income</u> (millions)
Retail (Handling)	762	10.3
Warehouse	30	.5
Processing & Admin.	85	2.1
Collection	<u>480</u>	<u>12.0</u>
Total	<u>1,257</u>	<u>\$24.9</u>

### RETAIL (HANDLING)

According to the report, the labor costs for handling containers at the retail level ranges from \$.016 per container in small and medium stores to \$.02 per container in large stores. Gross wages range from \$5.00 to \$8.00 per hour with the average annual salary being \$13,520. Assuming a 90% return rate for beer and soft drink containers and a 70% return rate for wine, liquor, and juice containers, the annual labor cost for handling 645 million returned deposit containers would be approximately \$10,300,000. Using an annual average wage of \$13,520, Maine's deposit law has created an estimated 762 new jobs in the retail industry.

### WAREHOUSE

The study estimates that the Maine deposit law was responsible for creating "30 full-time equivalent positions in distribution warehouses"--at \$8.00 per hour or \$500,000 annually.

### PROCESSING & ADMINISTRATION

The study estimates that the Maine deposit law created "85 full time equivalent processing and administration positions" at a gross salary of \$25,000 or \$2.1 million annually.

### COLLECTION -

The study estimates the cost of collection to be \$.025 per container. Assuming 645 million returned containers, collection costs are roughly \$16 million annually. Attributing 75% of collection costs to labor, the total annual gross income for collection is \$12 million. At an average hourly wage of \$12.00, an estimated 480 jobs were created.

\* Commissioned by the Nat'l Food Processors Association.

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Printed on recycled paper



TESTIMONY  
BEFORE THE ASSEMBLY WASTE MANAGEMENT COMMITTEE  
"FORCED DEPOSIT" LEGISLATION

BARBARA McCONNELL  
PRESIDENT  
NEW JERSEY FOOD COUNCIL

September 23, 1991

Mr. Chairman and members of the Committee, it is a well-known fact that the New Jersey Food Council and its members strongly oppose legislation that forces a deposit on beverage containers in New Jersey and requires grocery retailers to become redemption centers for this type of litter and solid waste.

The food industry doesn't oppose this legislation because we don't have a social or environmental conscience, we oppose bottle bills because they are a nightmare to any grocery retailer, result in lost sales, higher prices to the consumer, and because bottle bills don't work effectively in achieving litter reduction and would prove counter-productive to New Jersey's municipal recycling

38X

program.

Nine states have enacted bottle laws. Far more states have rejected such legislation overwhelmingly by either legislative action or by referendum. Legislatures and public officials across the country are all concerned about the issue of solid waste, diminishing landfills, and litter control, and all have concluded, as we have in New Jersey, that there are more effective and comprehensive ways to deal with these problems than through a costly and limited system of forced deposits.

#### Costs to Retailers and Consumers

Proponents assert container deposit legislation is the simplest, most efficient means of clearing litter from the streets and sidewalks of communities. But, testimonials from cities and states with deposit laws have exposed the huge price states pay for miniscule results.

For retailers, the redemption of bottle and cans are a labor intensive chore that requires the hiring of additional employees, or the shifting of employees from a productive to a non-productive position. In addition, we must make building renovations or additions for storage of empties, purchase new equipment such as cash registers, racks, shelving, pallets, storage bins and reverse vending

39x

machines; and incur various miscellaneous expenses that are related to sanitation, breakage and pilferage, and the use of third party firms to collect and sort containers. The initial capital cost investment for any retailer can run as high as \$50,000 per store, not including the annual and on-going costs of handling the redemption of beverage containers. These costs, according to a study done by case and company for the Food Marketing Institute, as well as a study conducted by the Rockefeller Institute for the New York Temporary Commission, can vary depending upon geographic location, size of store, and type of beverage container. However, it is estimated that the average cost for handling in New York State is 2.64 cents per container. This study clearly points out that redemptions for small retailers is particularly costly and difficult because of limited space and sanitation problems that are incurred.

Based on these figures, and the experience we've had in other states, it can be expected that a bottle bill will cost retailers and ultimately consumers, well over \$150 million.

This cost will be passed on to the consumer in higher prices.

Container deposit laws yield higher prices for consumers.

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Following the implementation of a deposit law in Connecticut, retail price surveys show a 51 cent increase in the price of a six pack of beer, and a 28 cent increase in a half-dozen soft drinks. In Massachusetts, beer prices increased by 75 cents. A recent publication reports New Yorkers are now paying 25% more on some brands of beer and list prices for canned soda in some parts of New York increased 10%, since the enactment of the deposit law. Iowa's Department of Environmental Quality has stated that Iowa's deposit law amounted to \$36-46 million in additional beverage costs to consumers during its first year, and California just reported that their bottle law was causing an \$88 million shortfall in their rebate program.

#### Decline in Consumption

Higher prices means a decline in sales. The consumer response to a deposit law is to either consume less or travel to neighboring non-deposit states to purchase products at lower prices. First year sale losses in deposit states read as follows: Beer sales down 9.1% in Vermont; down 11.0% in Michigan; and down 10.6% in Connecticut. No state has seen an increase in beverage sales after implementing deposit laws.

#### Employment

41 X

Higher prices and lower sales mean a loss of jobs. Beverage wholesalers and distributors are forced to lay workers off as demand for product decreases.

### State Revenue

Higher prices, decreased consumption, unemployment: each of these factors add up to lost state revenue at the hand of container deposits. States loss valuable excise taxes when beer purchasers either drink less or make their purchases in non-deposit states. When soft drink sales decrease, state sales tax collections are forfeited as well. Any container manufacturing plant that shuts down produces revenue loss for the home community. The Can Manufacturers Institute sponsored a study on the impact of container deposit laws on state budgets and estimated the total revenue loss in the nine deposit states over a four-year period equaled approximately \$28 million.

### Do deposit laws provide solutions?

Despite inherent weaknesses in existing state laws, deposit propōnents insist the good outweighs the bad. That is, the reduction in litter and beautification of communities is worth the price states pay in the long run. Simply not so. Container deposit laws produce no

42x

significant reduction in total litter and provide little incentive for voluntary recycling on the part of communities.

An examination of the "results" in container deposit states reveal two remarkable discrepancies in the claims of deposit proponents and what actually happens once deposit bills are passed:

Container deposit laws do not significantly decrease total litter

Environmental Action, a Washington-based container deposit coalition, claims "the results in deposit law states are impressive...total roadside litter is reduced 30-60%."

Testimonials from every single container deposit states say, "not true." In Michigan, solid waste declined only 4.5% as a result of the state's deposit law. The Maine State Department of Transportation estimates a year after the container deposit law went into effect, 85% of highway litter remained. Roadside litter in Oregon was decreased by only 10.6% a year after the state's deposit law was enacted. The Rockefeller Institute gave its assessment of post-bottle law litter reduction in New York State, calling the change in total litter "statistically insignificant."

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While there is an acceptable reduction in beverage container litter as deposit proponents promise, legislators and consumers should look closely at litter composition. A recent litter survey done by the Department of Geography at Rutgers University, for the Department of Environmental Protection, showed that the single largest category of litter by item count was cigarette butts -- one-half of all littered items.

The next most dominant litter type was paper packaging and paper pieces. By aerial coverage portrays a slightly different picture. Cigarette butts account for 5%; plastic packaging, 35%; followed by paper packaging, 29%. Beverage containers account for only 5% of the state's litter.

The Clean Communities Act was enacted in 1986 to create a statewide litter abatement program through community-based programs of litter pickup and removal, enforcement and education, and a statewide education effort. Funding for the program is the result of a tax on "litter-generating products." Revenue from the tax has increased each year. In 1988, \$8 million was distributed to municipalities; in 1989, \$9 million; and in 1990, \$12 million.

Local participation in the program has increased by

44x

approximately 60% since the inception of the program. To date, 445 municipalities and counties are implementing clean community programs, compared to 275 in the first year of the program.

The food distribution industry is in favor of a clean environment. The industry abhors the accumulation of litter in all forms -- beverage containers included. However, we believe mandatory container deposit laws are the least efficient means of clearing neighborhoods and highways of litter. That's why we initiated the Clean Communities Program.

You can't deal effectively with any problem by attacking only part of it. Our state's problem of solid waste, diminishing landfills and litter are only partially a matter of bottles and cans.

The New Jersey Food Council and its members agree that there is a great social and environmental need to reduce solid waste and remove our litter, but we feel a bottle bill is an illogical solution.

The New Jersey Recycling Act was the first of its kind in the nation, and not only is it a good example of cooperation among state and local governments, New Jersey citizens, industry, labor, and the environmental

45 x

community, but it is a comprehensive system that is working pretty well. What impact would a bottle bill have on municipal recycling costs, markets and infrastructure. I believe it would take valuable materials out of the municipal programs, and would affect their ability to operate.

Bottle bills don't come cheap. It is evident that the costs associated with the process of forced deposits are substantial. A bottle bill would cost the consumer at least \$150 million in increased beverage prices; is inconvenient and inefficient; causes a reduction in sales which results in lost revenue, profits and unemployment; and impacts every industry in the beverage distribution system -- would have little impact on litter and would repeal the Clean Communities Act, and finally it would greatly impact New Jersey's present recycling system.

To impose these costs and effects on the consumer of New Jersey, through a system that will deal with less than 7% of the solid waste, and less than 5% of the litter, seems ill conceived.

Mr. Chairman and members of the committee, thank you for giving me the opportunity to speak on this important issue, and I urge you to defer the notion of supporting a

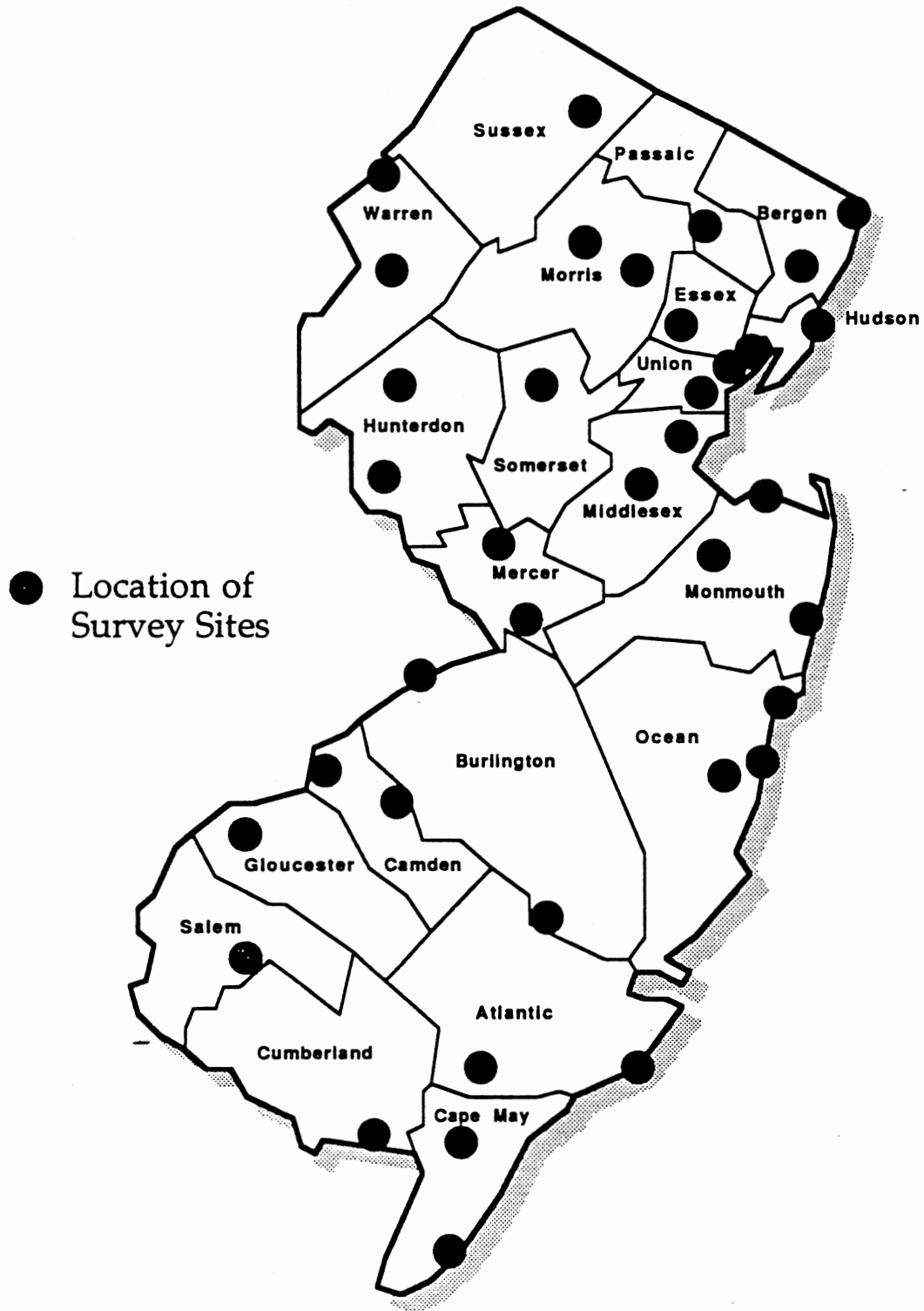
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bottle bill in New Jersey and give Mandatory Recycling and total litter control a chance to work, and a chance to show the nation that there are more effective, creative and logical solutions to our solid waste and litter dilemma than forced deposit legislation.

###

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# New Jersey Litter Survey, 1989



Prepared for the Department of Environmental Protection,  
Division of Solid Waste Management, Clean Communities Program

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NEW JERSEY LITTER SURVEY, 1989

Final Report  
February 2, 1990

Revised Report  
June 18, 1990

by

Dr. Susan L. Cutter, Project Director  
Shira Birnbaum  
Karen Gronberg  
Donna Keebler  
Naomi McNair  
William Solecki  
Dennis Sun  
John Tiefenbacher  
James Wiley

Department of Geography  
Rutgers University  
New Brunswick, New Jersey 08903

Prepared for the  
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Division of Solid Waste Management  
Clean Communities Program  
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## EXECUTIVE SUMMARY

This statewide litter survey was conducted during the summer of 1989 by the Department of Geography, Rutgers University under the directorship of Dr. Susan Cutter. The purpose of the project was to establish some preliminary estimates on the quantity, accumulation, and composition of litter at 37 sample sites throughout the state.

A full-scale litter survey was conducted for a six-week period during the summer of 1989. Sampling sites were selected using a stratified random site-selection methodology, in order to insure the representativeness of each site. Twenty-one of the 37 sites (communities) were selected in this manner. Of equal importance were specialized environments such as beaches, waterways, roads, parklands, and areas adjacent to landfills. Sixteen sites representing these specialized land uses also were included in the sample.

For each site, a standardized grid (a geographic information system) was constructed in the field covering an area of 500 square feet. This GIS allowed for the spatial collection of data and facilitated the statistical analysis. At the first visit, litter was counted, categorized, and removed at each site. A second and third visit to each site permitted the analysis of accumulated litter since the initial visit. During each visit, the litter was counted, categorized, and removed.

A total of 9,989 items of litter were found during the six-week period at all 37 sites. By item count, the largest single category of litter was cigarette butts, accounting for almost one fourth of all littered items. The next most dominant litter type was paper packaging, followed by paper pieces. The areal coverage of litter portrays a slightly different finding. While most numerous in counts, cigarette butts account for less than 5 percent of the total littered surface. In terms of area littered, the most prevalent item was plastic packaging (covering 35 percent of total littered surface), followed by paper packaging (29 percent). Accumulation rates for fresh litter average 1,249 pieces of litter per week for all 37 sites together. Paper packaging and cigarette butts accumulated the fastest on a weekly basis. We found that 64% of the freshly-littered area consisted of packaging materials made from either plastic or paper.

Land use does make a difference in the accumulation of litter. Litter is more common in the commercial sites in our survey, particularly urban commercial areas. Urban residential, road, and state parks also have relatively high weekly accumulation rates, averaging 51, 37, and 40 pieces of litter per 500 square foot site per week.

Demographic characteristics such as population density,

road density, and per capita income have very little relationship to litter counts and accumulation rates in our survey. The most significant relationship is between commercial land use and litter counts and accumulation rates. Recycling and participation in the Clean Communities program also show no relationship with litter counts and accumulation rates in our sample.

Because of the small sample size, these survey results cannot be generalized to the entire state. This study's utility is that it provides specific information on litter composition, accumulation, and item counts for a variety of different specialized environments as well as communities.

In order to address some of the policy issues, smaller, more localized litter surveys should be conducted at the community level. These mini-surveys would provide local data by which to judge the effectiveness of any litter reduction program. Based on the compositional analysis, beverage container deposit legislation would have little effect on the quantity and areal coverage of litter. Also, litter-generating products, as defined by the Clean Communities Account are justifiably taxed based upon our survey. To reduce litter in New Jersey, more effective controls should be directed toward excess packaging (plastic and paper), polystyrene foam, and tobacco products.

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My name is Guy Polhemus and I am the Executive Director and founder of WE CAN, a non-profit organization which operates New York City's only two Redemption Centers. WE CAN exists because of the Returnable Container Act that was enacted in July of 1983. I started WE CAN in 1987 in response to a large number of poor and homeless individuals who, in collecting containers for their very survival, were turning container redemption into a small industry.

WE CAN opened its first Redemption Center in October, 1987, and over the past four years has: (1) paid out over \$4-million in nickel deposits to the poor and homeless; (2) processed over 70-million containers, representing 10,000 tons of solid waste diverted from landfill; employs 52 individuals full-time, including 35 formerly homeless persons; and, (4) picks up donated containers from over 2,600 corporations, schools and residences that set aside their empties and donate them to WE CAN to help the homeless and the environment.

The Returnable Container Act (Bottle Bill Law) has been very positive for New York State and New York City. The Rockefeller Commission conducted a study of the Returnable Container Act in 1984, one year after its implementation. The Commission concluded that the positive impact the Bottle Bill had on reducing street and roadway litter alone insured that it would never be rescinded. Furthermore, Jon Naar, author of 'Design for a Livable Planet' estimated that New York State saved between \$50-\$100 million in energy costs, \$50 million in cleanup costs and \$19 million in solid waste disposal costs in the first two years of the Bottle Law's existence.

New York's Returnable Container Act (Bottle Bill) has not been without its problems, but they are problems others States have avoided and that States considering a Bottle Bill Law can avoid. One way is if the State designates a Central Deposit Bank for all collected deposits. For example: WE CAN pays an average of \$15,000 a day to individuals who come to our Redemption Centers to redeem their empties. In the beginning, bottlers and distributors refused to pick up and reimburse WE CAN for the containers redeemed -- as required by law. This happened for two reasons: (1) beverage distributors, who initiate the deposit in New York State, were allowed to retain "unclaimed deposits" as revenue, giving distributors an incentive to make redemption as difficult as possible; and, (2) enforcement of the law and designation of primary distributors (because the distributor not the manufacturer initiates the deposit) was left up to an understaffed Department of Environmental Conservation. Massachusetts has avoided both of these problems and the problems WE CAN had to face in New York are non-existent for a similar program Boston

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Can. By having a state pool where all the deposits go payment to retailers and redemption centers is guaranteed. Another way is making escheatment mandatory and any unclaimed deposits can then be used by the State.

I testified in February, 1990 at the Moreland Act Commission Hearings which was setup by Governor Cuomo to look at the problems with the Returnable Container Act and make recommendations on improving it. Among the many recommendations were to increase the handling fee from 1.5 cents to 2 cents and to create a state fund to avoid the types of problems that WE CAN ,consumers and some retailers had had in getting bottlers to comply with the law.

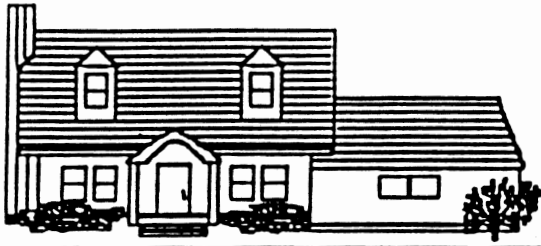
I see first hand as city services are cut how a Bottle Bill Law makes more and more sense. The deposit keeps a constant incentive to recycle present regardless of fluctuating raw material prices.

Another recommendation of the Moreland Act Commission was to expand the Act to include juice and wine bottles. The Natural Resource Defense Council NRDC has stated that the Returnable Container Act is the cornerstone of New York's Solid Waste Management Program. As recycling budgets are slashed or eliminated it becomes more and more evident that the cries from bottlers to not enact Bottle Bill Laws are baseless and self serving.

Bottle Bill Laws have proven to be a positive thing, and they are standing the test of time as the capacity of landfills decrease Bottle Bills show that the payoff can be great for the environment and the creation of jobs. I was born in New Jersey right here in Trenton this is a diverse and beautiful state and it is an honor to give my testimony today . I hope that you do adopt a Bottle Bill Law it's the right thing to do.

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East Brunswick  
Congregational  
Church  
United Church of Christ  
402 New Brunswick Avenue  
East Brunswick, New Jersey 08816



Worship Sunday 10:00 am

(201)257-5162

STATEMENT BY THE REV. ROBERT MOORE  
PASTOR, EAST BRUNSWICK CONGREGATIONAL CHURCH  
SEPTEMBER 23, 1991

I speak today in favor of returnable beverage containers based on my experience, on common sense, and on my Christian convictions.

In terms of experience, I grew up at a time when all beverages were sold in returnable containers. Since my father was in the Navy, I lived in communities all over the country. It was simply the norm and the expectation that we would save our soda and milk bottles and return them to the store when we were finished. If we didn't we lost the deposit, and we couldn't afford that.

I never perceived that there was any problem with this system. In fact, we children were frequently the ones sent to return the bottles to the clerk when we went shopping, and in that capacity we felt useful and also got to know the business world in some small way.

Moreover, we had an economic incentive to collect discarded bottles by the sides of roads, in vacant lots, on the beach, etc. We often spent our free time collecting such containers, and many an ice cream cone was bought with the money we got from returning the bottles. Of course, we didn't understand that we were also helping to alleviate the problem of litter and solid waste pollution, but that didn't matter. It seems to me to be a good use of economic incentives to use them to accomplish such good social ends, while simultaneously benefiting the individual who spends the time to collect and return bottles.

As my wife's family lives in New England, we frequently travel there, and I notice that most states in that region require deposits on returnable bottles. It was done across the country in the past, and there is no reason the rest of us can't join New England in adopting the sensible policy of returnable beverage containers.

Finally, I want to address our moral responsibility as human beings, and in particular my perspective as a person of faith. In the Biblical book of Genesis, we are told that God put man in the beautiful Garden of Eden to "cultivate and take care of it." One of the most basic responsibilities our Creator gives us is to be caretakers of His beautiful creation. Unfortunately, we human beings have messed up pretty badly in carrying out

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that responsibility. We have polluted and littered this beautiful creation with solid waste, including much that is non-biodegradable. Over the last several decades, especially, we have adopted a throw-away culture. But the Earth is not a throw-away, and the psalmist reminds us that is not even ours to discard or pollute: "The Earth is the Lord's, and the fullness thereof." (Psalm 24)

There are many rationalizations that are given to justify this behavior: convenience, maximizing profits, less clutter at home and in stores. If any or all of these are allowed to override our responsibility to be good care-takers of the Earth, then in my mind they are a form of idolatry. For if anything is allowed to distract us from God's call and God's will, then is a competing god.

But even if one is not a person of faith, it seems to me the moral imperative to minimize solid waste and maximize re-use and recycling is clear. For it is we, our neighbors, and our children who will suffer pollution and a littered landscape if we don't reverse our solid waste policies. Out of simple human responsibility, to ourselves and all future generations, we have an obligation to properly care for the earth. It is only by fulfilling that obligation that we can enjoy the beauty and the fruits which the Creator intends for us.

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STATEMENT OF UNION CARBIDE CORPORATION

WITH RESPECT TO NJ ASSEMBLY BILLS  
90, 281, 1024, 2201, 2714, 3120, 3523

BEFORE THE  
SOLID WASTE MANAGEMENT COMMITTEE  
OF THE  
NEW JERSEY LEGISLATURE

By

Diane C Mensinger  
Manager, Procurement Services  
Union Carbide Chemicals and Plastics Company Inc

Plastics Recycling  
Piscataway, New Jersey

Legislative Office Building  
Trenton, New Jersey  
September 23, 1991

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GOOD MORNING, I AM DIANE MENSINGER, MANAGER OF PROCUREMENT SERVICES FOR THE UNION CARBIDE CHEMICAL AND PLASTICS RECYCLING PLANT IN PISCATAWAY NJ. I APPRECIATE THIS OPPORTUNITY TO COMMENT ON THE ASSEMBLY BILLS CONCERNING PET RECYCLING AND DEPOSITS.

I WOULD LIKE TO TAKE THIS OPPORTUNITY TO BRING YOU UP-TO-DATE ON OUR NEW RECYCLING MANUFACTURING PLANT IN PISCATAWAY AND ALSO TO REITERATE THE KINDS AND AMOUNT OF PLASTICS THAT WE ARE REMOVING FROM THE SOLID WASTE STREAM IN NEW JERSEY.

OUR PLANT IS BEING IMPLEMENTED IN STAGES DURING THE COURSE OF THIS YEAR. THIS GIVES US THE OPPORTUNITY TO FULLY DEBUG ONE STAGE WHILE THE NEXT STAGE IS BEING INSTALLED. THUS FAR, WE HAVE INSTALLED AND ARE OPERATING

- THE SORTING LINE - WHICH IS A 90 FOOT LINE THAT CAN UTILIZE UP TO 40 PEOPLE FOR A FINAL QUALITY SORT OF THE BALES WE HAVE RECEIVED) FOR THIS WE ARE USING SOME DISABLED EMPLOYEES FROM BOTH MIDDLESEX AND SOMERSET COUNTY PROGRAMS AS WELL AS NON-HANDICAPPED WORKERS
- THE GRINDERS - FOUR 250 HORSE POWER UNITS WHICH GRIND POLYETHYLENE BOTTLES AND FILM AND PET INTO 1/2 INCH FLAKES
- THE WASHING AND DRYING EQUIPMENT IS INSTALLED AND GOING THROUGH PRE START-UP SAFETY REVIEWS

FINALLY, OUR PELLETIZERS WILL BE INSTALLED AND OPERATING IN DECEMBER OF THIS YEAR.

AS YOU MIGHT SUSPECT, WE HAVE INVESTED HEAVILY IN BOTH CAPITAL EQUIPMENT AS WELL AS IN THE PROCUREMENT SIDE OF OUR BUSINESS.

WE HAVE DEIGNED OUR MANUFACTURING PLANT TO 1) TAKE THE LARGEST PERCENTAGE OF PLASTICS THAT ARE AVAILABLE IN A TYPICAL HOUSEHOLD (PE1 AND HDPE), AND 2) TO UTILIZE PLASTICS GENERATED FROM CURBSIDE PROGRAMS.

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PAGE 2

FOR EXAMPLE, WE ARE ACCEPTING NOT ONLY PET SODA BOTTLES BUT ALSO OTHER PET BOTTLES LIKE DETERGENT BOTTLES, VEGETABLE OIL BOTTLES, WATER BOTTLES, LIQUOR AND FOOD BOTTLES (SALAD DRESSING). THIS MAKES UP APPROXIMATELY 30% OF THE MATERIALS NOT TARGETED FOR RECYCLING IN THESE BILLS. BY THE WAY, THIS IS AN AREA THAT IS GROWING FROM 20% OF THE PET BOTTLE SEGMENT IN 1988 TO 30% IN 1990. AND CAN BE ATTRIBUTED TO CONSUMER PRESSURE TO HAVE PRODUCTS PACKAGED IN READILY RECYCLABLE PACKAGES.

ALL OF THE RECYCLING PROGRAMS THAT GENERATE MATERIAL FOR UNION CARBIDE ARE CURBSIDE RECYCLING PROGRAMS. WE DO NOT TAKE MATERIAL FROM BOTTLE BILL OPERATIONS SINCE WE BUILT OUR SYSTEM TO HANDLE THE CURBSIDE PROGRAMS WHICH INCLUDE MORE MATERIALS AND ARE SLIGHTLY DIRTIER.

FINALLY, I WANTED TO MENTION THAT WE HAVE ALSO WORKED VERY HARD TO ASSIST MUNICIPALITIES AND COUNTIES IN IMPLEMENTING PLASTICS RECYCLING IN THEIR COMMUNITIES. IN FACT THIS YEAR, WE WILL BE PURCHASING ABOUT 18 MILLION POUNDS OF RECYCLABLE PLASTICS. OF THAT AMOUNT ABOUT 11 MILLION POUNDS (61%) WILL BE FROM NJ.

AS A REFLECTION OF OUR COMMITMENT, LET ME POINT OUT THAT OF THE 11 MILLION POUNDS OF PLASTICS, 9 MILLION POUNDS WILL HAVE BEEN GENERATED FROM PROGRAMS THAT UNION CARBIDE HAD HELPED TO INITIATE IN THE LAST YEAR AND A HALF.

ONE ADDITIONAL NOTE, ONCE WE ARE OPERATIONAL, EACH MONTH WE WILL BE CONSUMING AN AMOUNT OF PLASTIC THAT IS EQUAL TO 2 ACRES 10 FEET HIGH. THIS IS MATERIAL THAT WILL NOT BE LANDFILLED.

THANK YOU FOR YOUR TIME AND ATTENTION.

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# New Jersey Environmental Lobby



204 West State Street, Trenton, N.J. 08608

(609) 396-3774

*Marie A. Curtis, Legislative Agent*  
Testimony before the Assembly Waste Management, Planning and  
Recycling Committee  
September 23, 1991 Re: Beverage Container Deposits

The New Jersey Environmental Lobby is here today in support of beverage container deposit legislation. NJEL is an organization of 1200 individuals and groups working to promote legislation and regulation that is protective of New Jersey's natural resources. For almost a decade now we have been one of several groups seeking such deposits to ensure recycling and re-use.

The "Bottle Bill" is a simple concept that would encourage greater recycling of beverage containers than we currently experience under our mandatory recycling act. According to our own DEPE, in 1989 our recycling rate was 39% for glass containers, 31.37% for aluminum containers and less than 1% for plastic containers. Contrast this with state figures from the nine states who have enacted beverage deposit laws and you see a rate that ranges from 63% return of soda containers in New York State to 95% return for aluminum in Iowa and an overall rate of 92 to 97% in Oregon. If other states can average 80% or better in container returns, why expect less of New Jersey? And an 80% return would more than double the level of current recycling in these areas.

Doubling the recycling rate for such containers would alleviate some of the pressures on our remaining land fills. It would save in disposal cost avoided in tipping fees and would serve to greatly diminish the amount of litter still found along roadsides, stream banks and in our parks.

Previous efforts at litter control have not been totally successful. We still see the need for crews, such as those recruited from our corrections population, to scour the roadsides and pick up the accumulated trash. If you have ever been part of a community clean-up operation, then you know that most of the "litter" collected is old, discarded beverage containers. Again we avoid cost if we avoid, or lessen, the need for continued clean-up. In addition, we beautify our communities as a sort of side benefit.

The deposit, in fact, serves as a double incentive. It flags the consumer with an added cost if the container is not returned. In addition, it rewards those who seek to clean-up their communities with a monetary bounty for doing so. (In some places college students have been known to clean-up park and picnic areas for an added income boost between checks from home.)

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added income boost between checks from home.)

It is interesting to note that in 1960, 95% of all soft drinks and 53% of all beers were sold in refillable glass bottles. These bottles required a deposit. The "no deposit, no return" single-use disposable container did not come into pre-eminent usage until the end of that decade. Beverage container deposits are not a new idea.

We have heard that raising the cost of a beverage via the deposit on its container will cause consumers to go out-of-state to purchase these items. That argument was raised in the state of Maine prior to passage of the legislation there. However, there has been no noticeable sales loss since the law was passed. In fact, the redemption rate in Maine is 95%, according to their department of environment.

Even a 95% rate, however, allows a sum of deposit monies to go uncollected. This uncollected deposit amount could, and perhaps should, periodically be funnelled into the county recycling programs to assist with waste reduction in other areas.

This past summer a student intern with our organization researched the beverage container deposit legislation that had passed in other states. Some of his information was compiled in a series of graphs and charts which I will submit with this testimony. One of the most interesting bits of information secured, however, was the fact that in most so-called "bottle bill" states, the issue was resolved at the polls. Through the use of Initiative and Referendum processes the proponents had placed the proposal on the ballot, and the voters said "yes." It would appear that most average citizens view this approach as common sense.

We have also heard that storage of used containers will result in an increase in vermin and unsanitary conditions in those establishments required to accept them. Health officers in deposit states have denied such claims. Charles Schade, Health Officer for the state of Oregon, stated "I never observed any evidence of vermin around beverage containers. In my opinion, the vermin issue is a red herring being raised by the bottling industry." Likewise, Richard Wilberg, Principal Sanitarian for the city of Worcester (MA), stated "There is no noticeable increase of vermin in retail or food establishments due to the Bottle Bill."

The experience of those states in which such laws exist shows us that it is not a measure to be feared. New businesses have sprung up, such as the drive-through soda and beer store, because of deposits and the need to exchange empties for full. Jobs have been created in such new endeavors. And we learned that in Iowa it was the farming community who pushed for a deposit law because of the damage done to livestock from ingesting empty bottles.

It would appear that a Bottle Bill, far from creating problems, solves many that are here already. We firmly believe that beverage container deposits are in the best interests of this state.

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Table 1. Beverage Container Deposit Laws

State	Date Implemented	Deposit Amount	Containers Included	Handling Fee	Redemption Rates	Reduction in Bottle Litter	Reduction in Total Litter
Oregon	10/72	5¢, 2¢ on interchangeable stubby bottle	Beer, malt, carbonated and mineral water, soft drinks	None	92-97%	83%	47%
Vermont	7/73	5¢ beer and soda, 15¢ for liquor >50 ml	Beer, malt, mineral and soda water, liquor, soft drinks	3¢	85%	76%	35%
Maine	1/78	5¢ beer and soda, 15¢ for wine and liquor	Beer, soda, wine, wine coolers, liquor, juice	3¢	95%	86%	40%
Michigan	12/78	10¢	Beer, soft drinks, canned cocktails	25% of escheat monies	92-93%	80%	41%
Iowa	7/79	5¢	Beer, soft drinks, wine, liquor	1¢	95% aluminum 85% glass	79%	61%
Connecticut	1/80	5¢	Beer, soft drinks, carbonated and mineral water	Beer, 1.5¢ Soda, 2¢	88% cans 94% bottles	NA	NA
Delaware	6/82	5¢	All non-aluminum less than 2 qts., beer, malt, soft drinks, soda and mineral water	20% of deposit	N/A	NA	NA
Massachusetts	1/83	5¢	Beer, soft drinks, all carbonated beverages	2¢	85%	NA	30-35%
New York	7/83	5¢	Beer, soft drinks, carbonated and mineral water	1.5¢	63% soda, 80% beer	NA	NA

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Source: National Beverage Container Deposit Laws

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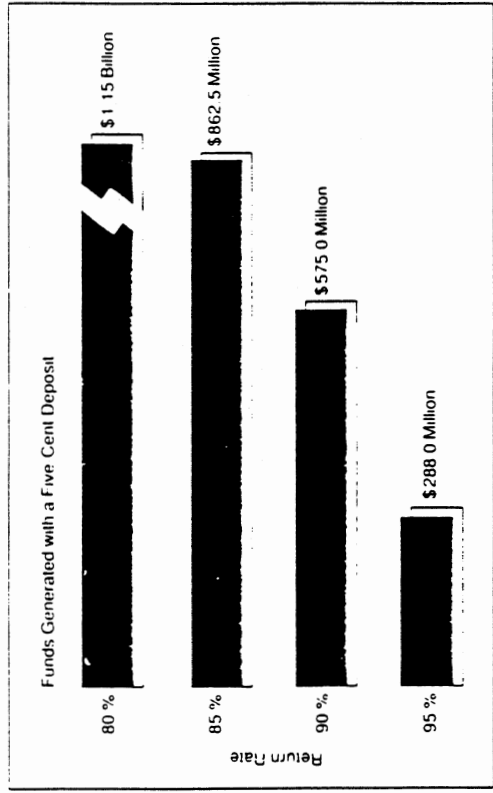


Figure 1: Potential Generation of Funds through Unclaimed Deposits

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**Table 2: Comparison of costs and revenues, Rhode Island curbside recycling program versus estimated figures for combined curbside recycling and bottle deposit law program.**

Material	Rhode Island Curbside Program (Projected 1990 Figures)			Combined Curbside Recycling Bottle Bill (Estimated Figures)		
	Tons Removed	Revenue	Cost of Collection (1)	Tons Removed	Revenue	Cost of Collection
Newspaper	27,800	43,600	2,291,300	27,800	43,600	2,291,300
Aluminum	625	599,000	51,500	2,666	0	0
HDPE	725	106,500	59,200	725	106,500	59,450
PET	800	125,300	65,900	1,562	0	0
Tin	2,600	39,000	214,300	2,600	39,000	213,200
Glass	6,700	322,700	552,200	22,605 (2)	147,936	252,724
Residue	7,500	0	618,200	3,450	0	282,900
Totals	46,750	\$1,236,100	\$3,853,400	61,408	\$337,036	\$3,087,874
		<i>Curbside Program Without Bottle Bill</i>		<i>Combined Curbside Bottle Bill Program</i>		
Operating costs		\$1,779,600		\$1,779,600		
Collection costs		+ \$3,853,400		+ \$3,087,874		
Subtotal operating cost		\$5,633,000		\$4,867,474		
Revenue		- \$1,236,100		- \$ 337,036		
Net operating cost		\$4,396,900		\$4,530,438		
Cost per ton of material removed		\$94.05		\$73.77		

(1) \$82.42 was used as the average cost of collection per ton, based on total collection costs of \$383,500 in the Johnston MRF Financial Analysis. Column may not sum to total due to rounding.

(2) 19,523 tons collected through BCDL. 3,082 tons collected through curbside program. Assumes that 46% of the glass in the curbside program is non-beverage container glass (per "U.S. Industrial Outlook 1990—Cans and Containers," U.S. Dept. of Commerce).

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Collection

As can be seen from the beverage container recycling recovery rates listed on the last page of the Appendix A of this report and below, it appears as though a "convenient and economically feasible mechanism for the collection, recycling and marketing of plastic beverage containers" does not exist in New Jersey at this time.

MATERIAL	RECYCLING RECOVERY RATE
Aluminum	37.0%
Glass	15.9%
Plastic	0.3%
Bi-metal	4.1%

NJDEP DIVISION OF SOLID WASTE MANAGEMENT  
 1989 TONNAGE RECYCLED (BY MATERIAL)  
 FEBRUARY 14, 1991

1 MATERIALS	2 % OF WASTE STREAM	3 SOLID WASTE GENERATED	4 SOLID WASTE RECYCLED	5 RECYCLING RATE
YARD WASTE	9	1,347,944.37	697,893.60	51.77%
FOOD WASTE	4	599,086.39	63,346.53	10.57%
NEWSPAPER	4	599,086.39	471,257.70	78.66%
CORRUGATED	6	898,629.58	415,832.70	46.27%
OFFICE PAPER	2	299,543.19	57,094.63	19.06%
OTHER PAPER	13	1,947,030.76	151,587.50	7.79%
PLASTIC CONTAINERS	1	149,771.60	1,265.22	0.84%
OTHER PLASTIC	4	599,086.39	4,805.00	0.80%
GLASS CONTAINERS	3.3	494,246.27	192,725.89	38.99%
ALUMINUM CONTAINERS	0.4	59,908.64	18,791.96	31.37%
NON FERROUS	1	149,771.60	65,874.20	43.98%
AUTO BATTERIES	0.3	44,931.48	36,314.74	80.82%
FERROUS CONTAINERS	1	149,771.60	22,329.69	14.91%
OTHER FERROUS	14	2,096,802.36	2,006,050.80	95.67%
CONSTRUCTION & DEMOLITION	32	4,792,691.10	2,064,788.78	43.08%
TIRES	1	149,771.60	17,384.20	11.61%
OTHER	4	599,086.39	27,162.21	4.53%
=====				
TOTALS	100	14,977,159.70	6,314,505.35	42.16%

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= COLUMN 2 = PER CENT OF TOTAL WASTE STREAM =

= COLUMN 3 = SOLID WASTE DISPOSED + RECYCLED =

= COLUMN 4 = DOCUMENTED TONNAGE RECYCLED + INDUSTRY =

= COLUMN 5 = RECYCLED DIVIDED BY TOTAL GENERATED =

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1987 WASTE RECYCLED (BY COUNTY)  
FEBRUARY 14, 1991

1 COUNTY	2 SOLID WASTE GENERATED	3 SOLID WASTE RECYCLED	4 SOLID WASTE DISPOSED	5 RECYCLING RATE
ATLANTIC	676,035.20	273,590.20	402,445.00	40.47%
BERGEN	1,610,548.40	707,840.40	902,708.00	43.95%
BURLINGTON	616,920.00	258,485.50	358,434.50	41.90%
CAMDEN	926,779.00	377,453.50	549,325.50	40.73%
CAPE MAY	247,273.60	87,564.60	159,709.00	35.41%
CUMBERLAND	312,015.90	129,998.40	182,017.50	41.66%
ESSEX	1,384,588.80	678,562.80	706,026.00	49.01%
GLOUCESTER	414,431.00	196,741.50	217,686.50	47.47%
HUDSON	1,296,917.90	450,096.90	846,821.00	34.71%
HUNTERDON	149,540.84	54,866.34	94,674.50	36.69%
MERCER	895,016.40	503,894.40	391,132.00	56.30%
MIDDLESEX	1,489,453.40	539,626.40	949,827.00	36.23%
MONMOUTH	1,001,321.20	416,190.20	585,131.00	41.56%
MORRIS	720,359.90	324,346.40	396,011.50	45.03%
OCEAN	876,879.10	420,693.60	456,195.50	47.98%
PASSAIC	756,350.80	284,167.30	472,183.50	37.57%
SALEM	144,551.00	33,448.00	111,103.00	23.14%
SOMERSET	386,465.70	135,294.20	251,171.50	35.01%
SUSSEX	167,249.66	78,434.66	88,815.00	46.90%
UNION	741,765.80	323,535.80	418,230.00	43.62%
WARREN	162,696.10	39,688.60	123,007.50	24.39%
TOTALS	14,977,159.70	6,314,504.70	8,662,655.00	42.16%

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= COLUMN 2 = SOLID WASTE DISPOSED + RECYCLED, =

= COLUMN 3 = SOLID WASTE RECYCLED =

= COLUMN 4 = SOLID WASTE DISPOSED =

= COLUMN 5 = SOLID WASTE RECYCLED DIVIDED BY SOLID WASTE GENERATED =

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**Actual Tons of Glass Recycled as Verified  
by the New Jersey Office of Recycling  
in 1982 vs 1987 vs Estimated Tons with a Bottle Bill**

Municipal	Tons of Glass			Population	Lbs of Glass per Capita		
	1982	1987	1990(Bottle Bill)		1982*	1987*	1990(Bottle Bill)**
Bellville	0	2	634	35,367	0	0	36
Bloomfield	155	285	857	47,792	6	12	36
Caldwell	66	145	137	7,624	17	38	36
Cedar Grove	35	41	226	12,600	6	6	36
East Orange	60	24	1,381	77,025	2	1	36
Essex Fells	57	26	42	2,363	48	22	36
Fairfield	10	7	143	7,987	2	2	36
Glen Ridge	22	19	141	7,885	5	5	36
Irvington	40	0	1,103	61,493	1	0	36
Livingston	60	75	503	28,040	4	5	36
Maplewood	107	69	412	22,950	9	6	36
Millburn	160	207	350	19,543	16	21	36
Montclair	1,011	968	687	38,321	53	51	36
Newark	373	2,632	5,905	329,248	2	16	36
North Caldwell	47	0	105	5,832	16	0	36
Nutley	13	209	520	28,998	1	14	36
Orange	10	0	558	31,136	1	0	36
Roseland	0	17	96	5,330	0	6	36
South Orange	0	0	285	15,864	0	0	36
Verona	41	0	254	14,166	6	0	36
West Caldwell	0	205	143	11,407	0	20	36
West Orange	192	498	709	39,510	10	25	36
<b>Total:</b>	<b>2,458</b>	<b>5,337</b>	<b>15,253</b>	<b>850,481</b>			
<b>Average:</b>					<b>6</b>	<b>13</b>	<b>36</b>

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Population reported using 1980 census data.

\* Tons of material divided by the population times 2,000. (i.e. 2,000 pounds per ton.)

\*\* Beverage Container Recycling – Recommendations to the Governor and Legislature, page 14, 1989, New Jersey Office of Recycling  
(330,000 tons ÷ 7.36 million (NJ population 1980 census) = 0.0448 tons per capita per year  
x .701 (percentage of glass which is beverage container material)  
x .80 (percentage of beverage containers historically returned in States with beverage container deposit legislation.)

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Tables #5-7, from New Jersey Environmental Lobby.

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## NEW JERSEY ENVIRONMENTAL LOBBY POSITION ON WASTE DISPOSAL AND INCINERATION

Because of New Jersey's very serious solid waste disposal crisis, it is imperative that a comprehensive strategy must be implemented in order to contend with the State's growing problem. Specifically, the strategy should endorse a solution which establishes a hierarchy with priority emphasis on waste reduction first; reuse second; recycling and composting third; materials separation, fourth; incineration only after heavily relying on the first four strategies used only with controls noted below, and landfilling of remaining, non-usable residues and non-processibles last. It is critical to provide a coherent and practical strategy for immediate, intermediate and long term development. The State should redirect its focus away from incineration and place incineration at the end of the hierarchy. Additionally, it is imperative that the state actively promotes education and outreach to the residents of the state to explain the importance of the hierarchy.

The hierarchy is an important concept in which the goal is to maintain or retrieve the value of the original product while maximizing both waste diversion and economic benefits. The "higher" use options are generally more conserving of economically valuable resources.

As quoted from the National American Lung Association 1989 fact sheet "*The ALA recommends that solid waste reduction, recycling and the use of more environmentally benign disposal technologies such as composting be given priority over incineration as solutions to our nation's solid waste disposal problem. Resource recovery incineration plants are not an inherently safe solution to our last resort strategy, only stringent pollution control, and equally stringent operating and monitoring procedures, can reduce the public health threat from the emissions these facilities are capable of producing.*"

The recommended strategy is outlined below in order of the hierarchy described above:

## I. WASTE REDUCTION

It is critical that the following waste reduction measures are implemented.

- A. There should be a deputy commissioner and adequate staff within the NJDEP to actively promote waste reduction efforts, and to establish and implement a comprehensive education program.
  
- B. Legislation should be introduced and supported to require the Commissioner of the New Jersey Department of Environmental Protection (DEP) to establish standards to:
  - 1. Establish a goal of a 10% reduction in weight in municipal solid waste within four years.
  - 2. Reduce volume and weight of disposable packaging by providing financial incentives and disincentives to advance waste reduction and toxicity of waste.
  - 3. Encourage recycling by establishing a purchase preference for materials which can be readily recycled.
  - 4. Increase amounts of recycled materials used in packaging material.
  - 5. Require state agencies to develop plans to eliminate disposable and single-use products from use in state, county and local government (exempting certain medical uses), e.g. use coffee mugs instead of using paper or plastic cups.
  - 6. Establish a brain trust and clearinghouse to promote government and industry policies, practices, techniques and progress with regard to waste reduction.
  - 7. Organize "Design for Source Reduction" workshops for design and packag-

ing engineers, manufacturers, retailers, wholesalers and distributors.

8. Require waste reduction plans from companies with more than 500 employees by 1990, from companies with more than 200 employees by 1991 and from companies with more than 50 employees by 1992 (as already adopted by the State of Rhode Island) and phase-in smaller companies over a five year period.
9. Establish a corporate recognition program for companies and industries that have reduced the volume and/or toxicity of materials used in their products.
10. Create a database to track source reduction-related activities, including educational and legislative initiatives.

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## II. REUSE

- A. It is essential to reuse items whenever possible. As such, legislation is essential to:
1. Require refillable and reusable beverage containers for at least 40% of all beverage containers sold in the state, as done in Ontario, Canada.
  2. Enhance services such as those provided by the Salvation Army, Goodwill, the Morris Mission and shelter workshops, etc., which will encourage the strategy of repair, remanufacture and reuse.
  3. Require DEP to establish a public education program to promote good and minimal packaging -- made of reusable, recyclable and recycled materials; and to discourage the use of virgin materials, and those materials which are non-recyclable, and difficult to recycle or dispose.
  4. Eliminate cadmium and lead used as stabilizers, pigments, inks or glazes in packaging and other products that end up in municipal solid waste.
  5. Encourage the use of water soluble inks that do not contain heavy metals.
  6. Encourage municipalities to organize "scavenging days."
  7. Encourage home delivery of reusable beverage containers by firms such as Lake Beverage in Rockaway.

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### III. RECYCLING AND COMPOSTING

- A. Recycling needs to be maximized and expanded beyond the strategy in New Jersey's Mandatory Recycling Act. Additional recycling measures which are necessary should include legislation to:
1. Increase the statewide recycling goal from 25% to 50% by 1993.
  2. Require an "Advance Disposal Fee" (ADF) of one cent on any containers composed of glass, aluminum or other metals, plastic and plastic coated paper, or any combination thereof, which does not achieve a sustained recycling rate of 50% or more by 1992. All proceeds should be deposited into a fund to support container recycling programs. The State of Florida enacted such a law in 1988.
  3. Provide tax credit to in-state brewers and bottlers for investing in the use of refillable beer and beverage containers.
  4. Require a three cent per container fee on plastic single-use food and beverage containers. All proceeds should be deposited into a fund to support waste reduction, recycling and anti-litter efforts.
  5. Require deposits on beverage containers, tires and batteries.
  6. Ban problematic halogenated plastics, that when disposed of create serious environmental problems.
  7. Tax all plastics to encourage use of more readily recyclable materials such as aluminum and glass and utilize tax to fund additional recycling measures.
  8. Tax the use by industry of virgin materials in order to encourage the use of recycled materials.
  9. Enhanced recycling markets are critical. Export promotion is essential, as are additional tax credits and exemptions, including investment tax credits.

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secondary materials use credits, and sales and property tax exemptions.

10. Require a phased-in use of recycled newsprint for newspapers so that by 1991, 90% of the newsprint used in New Jersey will have a minimum 40% recycled paper content.
11. Require a phased-in use of recycled crushed glass (cullet) by bottle manufacturing plants in the State. Only about 30% of the input of material in the glass beverage container manufacturing process is cullet. This quantity of cullet use can be significantly increased to at least 90%.
12. Require a \$1.00 per ton assessment paid by solid waste facility operators to be deposited in a municipal solid waste recycling trust fund in the municipality where the disposal facility is sited. This shall be in addition to provisions in any host municipality agreement.
13. Require all recipients of DOT street paving funds to utilize recycled aggregate additives such as crumb rubber from recycled tires, and glass from recycled bottles and jars.
14. Compel retailers to offer consumers the choice of paper or plastic bags.
15. Require DEP to conduct a study on recycling non-municipal solid waste (i.e. demolition waste) and report annually to the Governor and Legislature on its findings.
16. Require DEP to adopt and copyright official symbols which may be used on packages made of recycled or recyclable materials.
17. Require the State to print all bills, that are introduced into the NJ legislature, as well as the New Jersey Register, to be printed on recycled newsprint.
18. Require use by state, county, and municipal governments of the 1976 Resource Conservation and Recovery Act (RCRA) guidelines calling for government offices to use recycled products, and establish penalties for non-use.

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19. Require businesses to similarly use the RCRA guidelines for the purchase of recycled products, and establish penalties for non-use.
  20. Impose a gross receipts tax on distributors' sales of packaging. Deductions would be allowed for certain types of packaging including that which is recyclable and composed of at least 50% recycled materials. The tax would fund recycling efforts and market expansion. Such legislation has been introduced in Vermont.
  21. Require the use of a symbol on packaging such as West Germany's "Blue Angel" used voluntarily by industry to indicate products which meet criteria for environmental quality established for that product. A similar environmentally friendly labeling program is being established in Canada.
- B. Composting (microbial decomposition organic material) needs to be encouraged and maximized.
1. Require yard waste to be composted.
  2. Require food waste from restaurants to be composted.
  3. State should sponsor periodic workshops for state, municipal and county employees to learn the most cost effective composting techniques.

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#### IV. MATERIALS RECLAMATION

- A. The strategy of materials recovery is a better option than incineration and is essential and needs to be expanded by amending the State's Solid Waste Management Act (P.L. 1975, c.326 as amended). This would place a higher priority in studying and approving alternate strategies to incineration. Solid Waste planning districts should be required to utilize an approach as outlined in Newark's bid specifications (Contract #89-19) for construction of a mechanized recycling facility to process mixed municipal solid waste into recycled materials (see attached).
  
- B. Legislation is necessary to:
  - 1. Amend the Solid Waste Management Act to require bidding for construction of material recovery facilities prior to bidding for construction of incinerators. This will determine if vendors offering such technology can produce on their claims and also determine if markets for materials derived from mixed municipal solid waste exist.

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## V. INCINERATION

Once all of the above strategies are followed remaining solid waste should be burned in order to recover fuel value of any remaining materials for which economically viable markets do not exist. Incineration should only be performed when the following measures are accomplished:

1. Place a freeze on the issuance of new incinerator permits until a task force completes a study for the incoming Governor of the State of New Jersey to formalize a waste reduction; reuse; recycling and composting; materials separation; and an incineration strategy. The task force will establish an **"emergency reassessment period"** to determine the environmental, health, and economic impacts of incinerators, as well as alternative solid waste management strategies, and redirect the state's focus toward maximizing waste reduction; reuse; recycling and composting; and materials reclamation. During the reassessment period the following things would happen:
  - a freeze would be placed on the construction of new incinerators;
  - there would be a call to action for New Jersey citizens, businesses and public officials to maximize waste reduction, recycling and composting;
  - the state would conduct a comprehensive assessment of the cumulative impact on New Jersey's air quality from incinerators;
  - the state would conduct a comprehensive economic analysis comparing the short and long term costs of the various solid waste management approaches.
2. **Best Available Control Technology (BACT)** is utilized.
3. Legislation is implemented requiring a pound-for-pound plus 10 percent off-set emissions strategy. Such a strategy means, for example, that if an incinerator emits 3,000 tons of particulates annually into the atmosphere, that the owners of that facility must reduce emissions of particulates by at least

80X

3,000 tons annually from an area in immediate proximity to the site outward. This strategy would be required for every type of air pollutant emitted from the facility. The goal would be to offset all emissions to a point at or below the aggregate of emissions entering the environment of the community prior to construction of the incinerator.

4. Legislation is adopted requiring the owners of any incinerator to fund and provide all emissions data to an independent committee to evaluate incinerator emissions (see host municipality agreement between City of Newark, Essex County, and the Port Authority of New York/New Jersey).
5. Legislation is adopted requiring continuous monitoring of incinerators for the following emissions SO<sub>2</sub>, NO<sub>x</sub>, CO, CO<sub>2</sub>, O<sub>2</sub>, HCL, total hydrocarbons (THC) and particulate matter.
6. Legislation is adopted requiring operator training and certification of incinerator plant personnel involved in facilities operation.
7. If incinerator ash tests hazardous according to RCRA Subtitle D, it must be disposed of according to regulations. We oppose efforts to establish a separate category.
8. Establish regulatory restrictions on the use of lead, cadmium and other toxic materials which will contaminate the environment.

81X

# **Monmouth County Friends of Clearwater**

Post Office Box 303 • Red Bank, New Jersey 07740

September 23, 1991

My name is Jack Charlton - I am a member of Monmouth County Friends of Clearwater; a local all-volunteer non-profit environmental group.

Clearwater strongly supports a bottle bill for New Jersey and we endorse your efforts in trying to bring it into being. Since our environmental festival in mid August we have been collecting signatures on a petition for a mandatory deposit on beverage containers. To date we have collected about 400 signatures and we have encountered only two individuals who have expressed opposition to the concept.

I would like to raise three points this morning and I will try to take as little of your time as possible.

First I would like to give to you several photographs of litter in Monmouth County and ask you what you would propose to do about it. Can we expect New Jersey's tourism industry to continue to prosper if we permit these conditions to persist? Can we afford to wait until we have re-educated the last of the litter bugs? Can we expect volunteers to forever try to turn the tide against the damage inflicted by the uncaring minority? Obviously we feel that a bottle bill must be a part of the solution. One simply does not see these conditions in the six states around us which have such legislation and New Jersey cannot afford to delay joining our neighbors in cleaning up this most persistent type of litter.

Secondly, I would like to introduce a bit of information concerning the possible impact of a mandatory deposit law on New Jersey industry. In the past the container industry - particularly the glass bottle manufacturers - have been outspoken in opposition, claiming various dire consequences including substantial price increases and loss of industry jobs. I doubt if you will ever know the true impact until after-the-fact, but I think it may be instructive to look at a free market example. Unfortunately, deposit bottles have become a rather rare commodity in New Jersey, but I did find a retailer up in Morris County which handles eleven different types of beer in each of three types of 12 ounce containers; deposit bottles, can, and non-deposit bottles. If we average the cost per case for the eleven types of beer we get the following results:

<b>Deposit Bottles</b>	<b>Cans</b>	<b>Non-deposit Bottles</b>
<b>\$11.15</b>	<b>\$11.08</b>	<b>\$12.44</b>

It should be noted that deposit bottles comprises a small fraction of total beer sales. Further cost reduction with increased volume could reasonably be expected. From this admittedly very limited database it appears that in a free market situation, deposit bottles are cost competitive with cans but non-returnable bottles are not. This tends to confirm a conclusion that has probably been intuitively obvious - That the glass container industry is hemorrhaging basically because it is not cost competitive. It also suggests the possibility that a market shift toward reusable bottles might actually benefit the glass industry by returning it to a competitive position. The results also show that this particular retailer is able to handle deposit containers at a price which is competitive

82 X

with throw-aways. Hence it is hard to believe that a cost increase is a necessary by-product of a mandatory deposit.

Finally, I would like to say a few words about the manufacturer's responsibility toward recycling. You are all familiar with the brick pack - it is composed of three different materials, and in spite of industry hype it is virtually non-recyclable. You may be less familiar with the recent development of extruded plastic bottles which are made with multiple layers of different plastics. Such bottles may consist of up to twelve layers, each tailored to provide properties such as; strength, low-permeability, compatibility with the contained product, and external appearance. They are a marvel of engineering, but a recycling monster.

There are people who feel that a bottle bill is unnecessary and that existing recycling programs should be expanded to handle the problem. I claim that no matter what government does to promote recycling, the ingenuity of American industry will always cause the problem to expand beyond the solution. The only way to get this under control is to require the manufacturer to take the item back. Only then will the full life cycle cost - production, distribution, and disposal - be entered into the equation. The package manufacturer now has no economic incentive to concern himself with the cost of disposal. Let us put the responsibility where it belongs and put New Jersey with our neighbors in requiring a deposit on beverage containers.

Thank you,

Jack Charlton  
Monmouth County Friends of Clearwater

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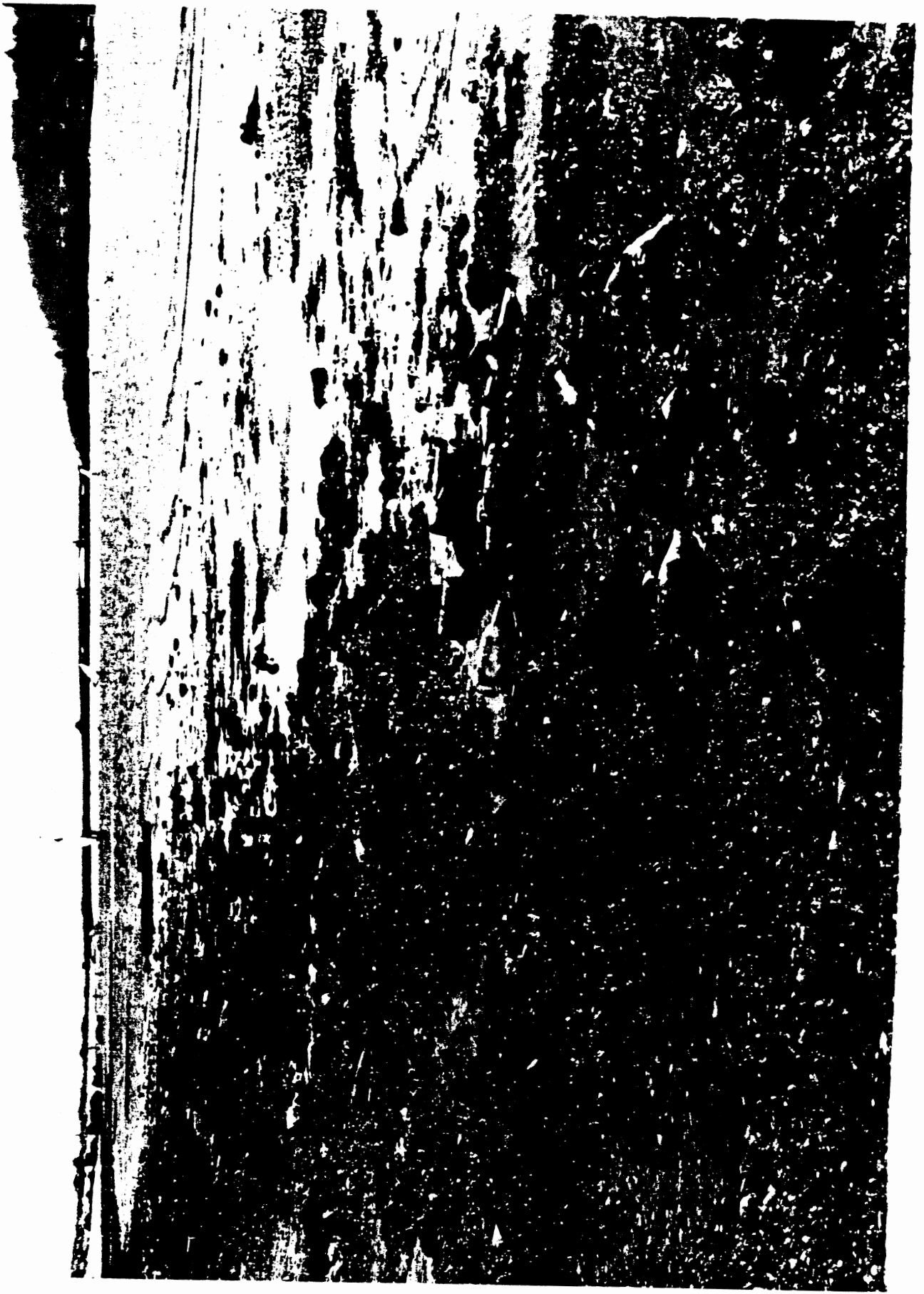
LAKE BEVERAGE, Rockaway New Jersey  
September 20, 1991

	Deposit Bottles	Cans	Non-Deposit Bottles
Budweiser	11.99	11.99	12.99
Bud Lite	11.99	11.99	12.99
Miller	11.99	11.99	13.99
Coors	11.99	12.99	13.99
Coors Lite	11.99	12.99	13.99
Strohs	11.99	12.49	11.99
Busch	10.79	9.49	11.99
Schmidt's	8.99	8.49	9.49
Shaefer	8.99	8.49	11.49
Pabst	11.49	9.99	11.99
Genesee	10.49	10.99	11.99
<b>AVERAGE</b>	<b>11.15</b>	<b>11.08</b>	<b>12.44</b>

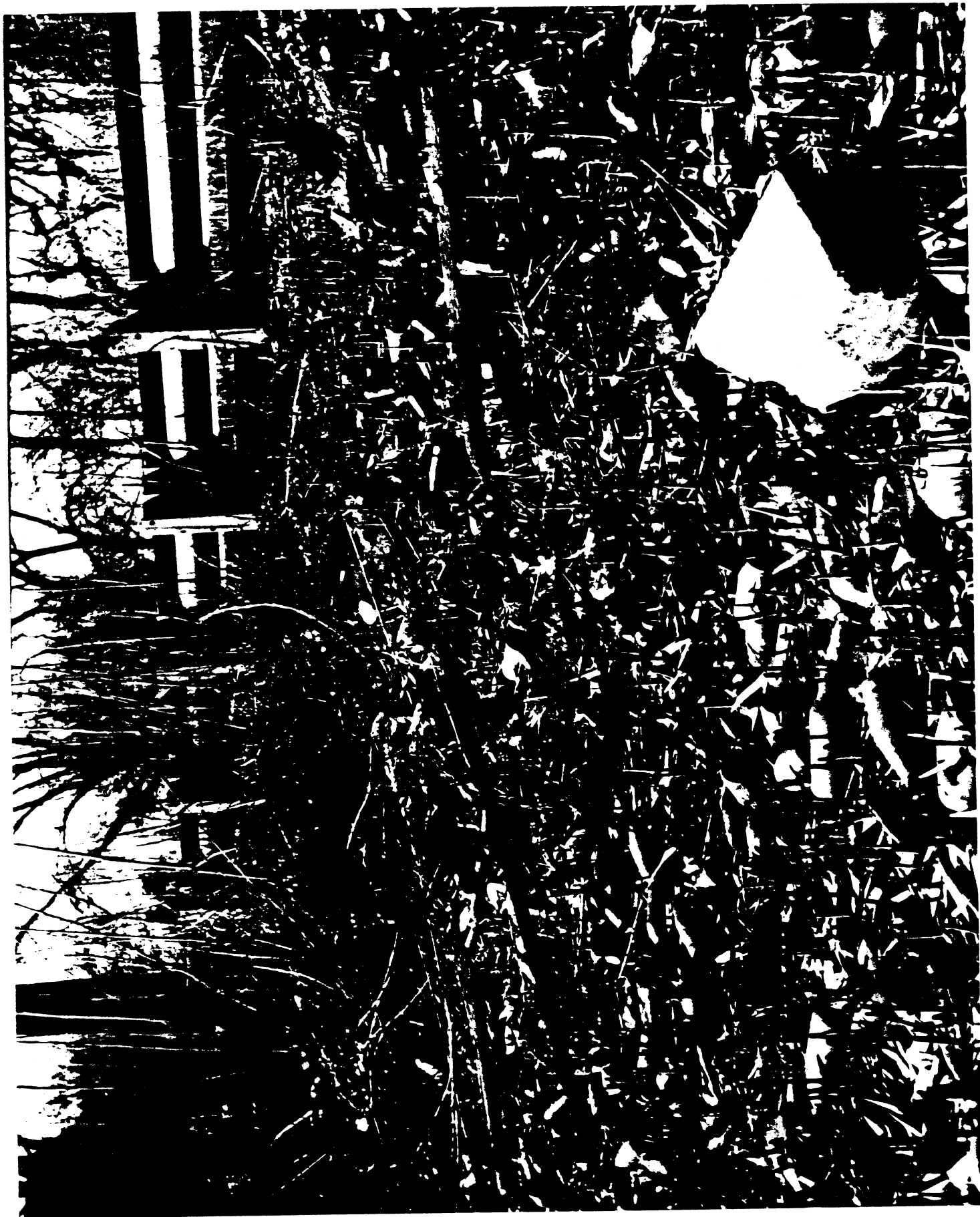
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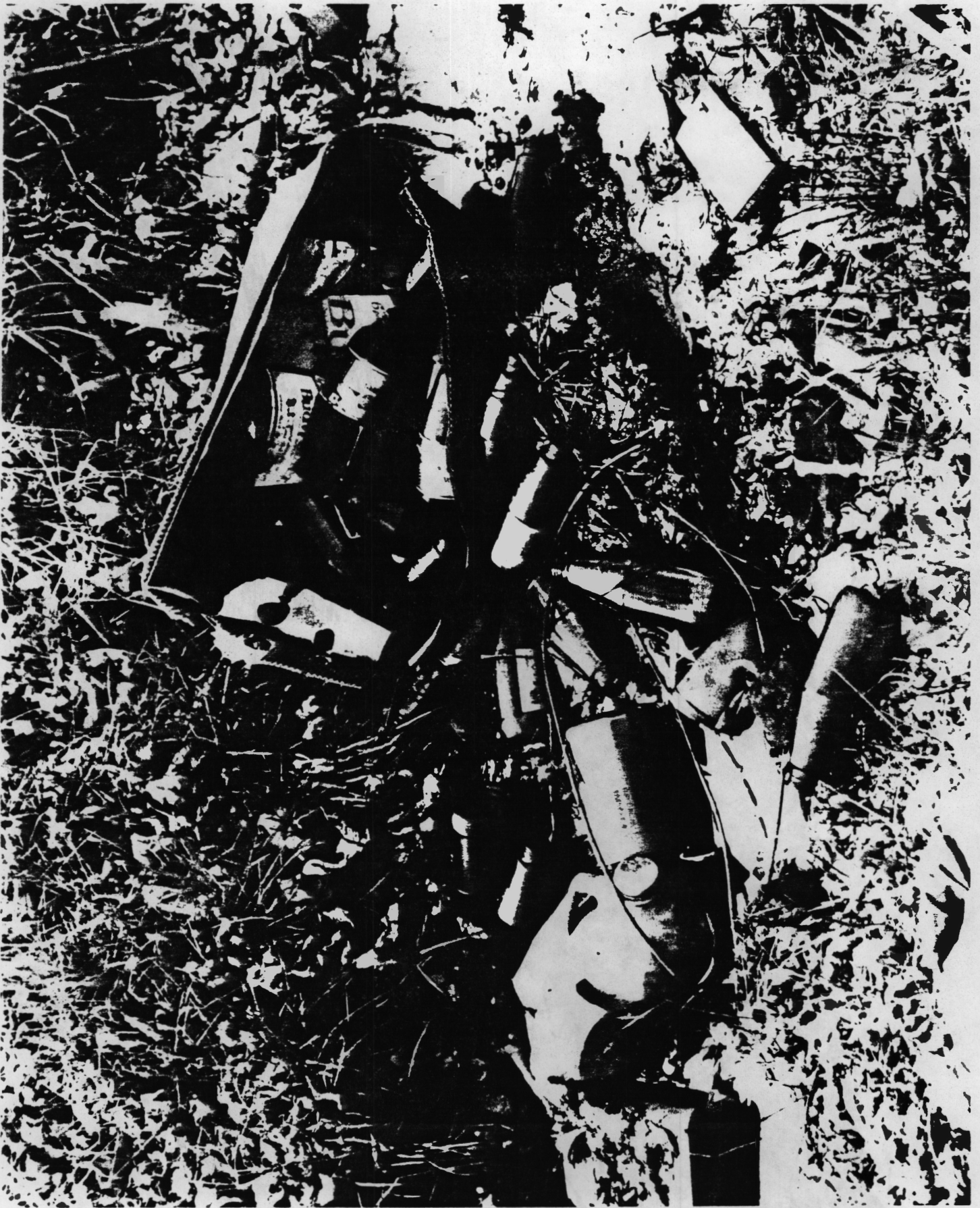
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compiled by Jean Clark - 9/23/81

Deposits retained @ 75% return rate = \$27,250,000  
 Estimated Annual Deposits @ 10¢/container = \$109,000,000

Beverage Containers only = 2.3%

All Containers = 4.9%

Percent of Total 1990 Waste Stream (1)

Non-Beverage Containers

Beverage Containers

Percent of Containers in Waste Stream

Total number of beverage containers sold in NJ in 1987 = 1,089,251,800

Reprint Data from Arthur D. Little Survey (2)

and soft drink 75% is probably very high when applied to all beverage containers.

\* NY Bottle Bill return rate 62% for soda, 80% for beer. Since NY Bill covers only beer

(2) Beverage Container Recycling, DEP Office of Recycling, 1989 - Arthur D. Little Survey

Material	Tons	1990 Return %	1990 Return %	1990 Return %	1990 Return %
Aluminum Cans	40	82%	82%	82%	82%
Tin & Bifetal Cans	3	24%	82%	82%	82%
Plastic Containers	27	34%	24%	24%	24%
Glass Containers	257	23%	23%	23%	23%
Totals	327	80%	80%	80%	80%



BEVERAGE CONTAINERS

Source:  
 (1) DEP, Solid Waste Task  
 (2) DEP, Office of Recycling  
 applications - unavail.

Totals  
 Aluminum Cans  
 Tin & Bifetal Cans  
 Plastic Containers  
 Glass Containers

ALL CONTAINERS (includes beverage, food, household chemical, pharmaceutical, paint, etc.)  
 Material: 1990 Containers

CONTAINER RECYCLING - 1990

CONTAINER RECYCLING - 1990

ALL CONTAINERS (includes beverage, food, household chemical, pharmaceutical, paint, etc.)

Material	1990 Containers Generated Mtons(1)	1990 Containers Recycled Mtons(2)	1990 Recycling Rate
Glass Containers	366	238	65%
Plastic Containers	169	9	5%
Tin & BiMetal Cans	122	24	20%
Aluminum Cans	43	28	65%
Totals	700	299	43%

Source:

- (1) DEP, Solid Waste Task Force Report - Statewide Recycling Projections as revised 6/27/91
- (2) DEPE, Office of Recycling, 1990 Preliminary Material Totals, (from municipal tonnage grant applications - unaudited - 9/5/91)

BEVERAGE CONTAINERS ONLY (includes soft drink, beer, wine, liquor, milk, water, fruit juice)

Material	Beverage Containers % of Tot (3)	Total B.C. Generated Mtons	'90 Cont's Recycled Mtons(2)	'90 Rec. as % of B.C. only	All Beverage Bottle Bill @ 75% Return*	Bottle Bill Return as % of Total Cont.
Glass Containers	70.1%	257	238	93%	192	53%
Plastic Containers	22.1%	37	9	24%	28	17%
Tin & BiMetal Cans	2.3%	3	24	855%	2	2%
Aluminum Cans	93.8%	40	28	69%	30	70%
Totals	48%	337	299	89%	253	36%

(3) "Beverage Container Recycling", DEP Office of Recycling, 1989 - Arthur D. Little Survey

\* NY Bottle Bill return rate 63% for soda, 80% for beer. Since NY bill covers only beer and soft drink, 75% is probably very high when applied to all beverage containers.

Pertinent Data from Arthur D Little Survey (3):

Total number of beverage containers sold in NJ in 1987 - 1,089,251,800		
Percent of Containers in Waste Stream	By Number	By Weight
Beverage Containers	62.9%	48%
Non-Beverage Containers	37.1%	52%

Percent of Total 1990 Waste Stream (1)

All Containers -	4.9%
Beverage Containers only -	2.3%

Estimated Annual Deposits @ 10¢/container - ±\$109,000,000

Deposits retained @ 75% return rate - ±\$27,250,000

compiled by Jean Clark - 9/23/91

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**MANDATORY SPIRITS CONTAINER DEPOSITS**

**TESTIMONY**

**PRESENTED BEFORE THE  
ASSEMBLY WASTE MANAGEMENT, PLANNING AND RECYCLING COMMITTEE**

**BY**

**Paul Bontempo**

**Legislative Agent**

**Distilled Spirits Council of the United States, Inc.**

**1250 Eye Street, NW, Suite 900**

**Washington, D.C. 20005**

**September 23, 1991**

For the record, my name is Paul Bontempo of Martin-Bontempo, representing the Distilled Spirits Council of the United States, Inc. (DISCUS). DISCUS is a national trade association representing the manufacturers and importers of more than 90% of distilled spirits sold in the United States. I would like to thank the Chairman and the members of this Committee for the opportunity to discuss the proposed bills regarding mandatory container deposits.

I wish to express that DISCUS would respectfully urge this Committee to reject, en bloc, any proposals to apply mandatory deposits to distilled spirits containers (A-1024, A-2201, A-2714, A-3120, A-3523).

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DISCUS and its member companies, however, support cost-effective comprehensive recycling strategies, including the development of community collections systems and commercial endmarkets for recycled materials as well as efforts to encourage positive attitudes toward recycling and source separation like the recycling program already proven to be effective in New Jersey at this time. DISCUS applauds New Jersey for having one of the premier programs in the U.S.

Deposit systems divert recyclable material and thereby, potential revenues away from curbside recycling programs. History shows, when high-profit container materials are diverted from independent recycling centers, the latter can no longer afford to process low-profit materials for which secondary markets are not as strong, and they may have to close down. Economies of scale are vital to a successful comprehensive recycling program.

Besides the costs associated with adversely affecting comprehensive recycling systems, there are other associated costs and adverse affects of forced deposits. In Michigan, total non-beverage container litter increased by 10% and the state's litter control budget rose 30% in the year after deposits went into effect, according to the Michigan Department of Natural Resources. In

93X

Maine, total litter rose 5% the year after deposits were introduced. Oregon found higher litter rates than in neighboring Washington, which had no deposit law. In New York, overall packaged beverages sales decreased by 5.6% following the implementation of the deposit law. Also in New York, the Rockefeller report concluded that beer sales declined 7%. New York lost \$1.5 million in lost malt beverage excise tax collections and \$5.7 million to \$7.7 million from lost soft drink sales as a result of the state's beverage container deposit laws. Within 18 months, New York accumulated \$120 million in unredeemed deposits. After Vermont imposed beverage container deposits, Vermont consumers purchased 7.9 million, 12-ounce containers of beer in New Hampshire. New Hampshire netted an additional \$510,480 excise tax revenue in the exchange. In the Northeast, the return flow of beverage containers in states with mandatory deposit requirements cost the consumer between 12% and 13.5% more for soft drinks and malt beverage purchases.

Beverage containers comprise only 4.1% by weight of municipal waste, while liquor and wine containers together constitute significantly less than 1% by weight of municipal waste. Naturally, a rising percentage, now 25%, of beverage containers in the municipal solid waste are recycled by local government and thus

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kept out of landfills. A further 12% is voluntarily recycled, never entering the municipal waste stream. And, as you know, our State is doing even better.

Keep in mind too that, even returnable reusable containers have a finite useful life. What happens to the containers following that useful life in a forced deposit system? They will most likely end up as litter or in a landfill. In addition, such a system is a waste of valuable resources and associated costs.

In terms of dealing with overall solid waste problems, strategies such as curbside collection, community collection and drop-off systems, or publicly controlled buy-back centers, where recyclable items are purchased from consumers, make far better sense. Much has been done in New Jersey already to provide for a successful comprehensive recycling system. We would be better served to continue in that success rather than taking one step backward.

Mr. Chairman and members of the Committee, thank you for allowing me the opportunity to present our views. I will be happy to entertain any questions you may have.

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Post Office Box 8169  
Glen Ridge, New Jersey 07028  
Tel: (201) 748-4855

**NEW JERSEY GLASS RECYCLING ASSOCIATION**

Briefing by Mel Hintz, Executive Director

before the

**NEW JERSEY STATE LEGISLATURE  
ASSEMBLY WASTE MANAGEMENT,**

**PLANNING AND RECYCLING COMMITTEE**

September 23, 1991

Chairman McEnroe, distinguished members of the committee, thank you for giving the New Jersey Glass Recycling Association the opportunity to appear before this committee to discuss the New Jersey Glass Recycling Association's position on proposed forced deposit legislation in New Jersey.

Merely by way of information, let me first say that the New Jersey Glass Recycling Association is supported by the glass container industry, funded by its union employees, and was founded in 1986 for the express purpose of promoting glass recycling in New Jersey.


The New Jersey Glass Recycling Association is opposed to what is commonly called a bottle bill.

History has shown that forced deposit laws are a wasteful expenditure of time, money and energy. That is why 41 states have rejected forced deposit bills over the past 20 years. No state has adopted deposit legislation since 1983. The legislative trend surrounding forced deposits in recent years has seen dozens of unsuccessful initiatives. Three years ago a proposed forced deposits was defeated in Montana by 4 to 1.

This year Congressman Paul Henry of Michigan is again sponsoring a federal bottle bill. And although he has had two years to work on it, he now has fewer co-sponsors than he had last year at this time when he offered the original bill.

But let us look at New Jersey. Those New Jersey residents who have already had the opportunity to express their feelings about a bottle bill via the ballot

96 X



box have rejected it. Just three years ago Mercer County residents defeated forced deposit initiatives by 3 to 1.

With that, let us look at what is happening to glass recycling in New Jersey. According to the new Jersey Office of Recycling figures, in 1988, the first full year of mandatory recycling in the state, New Jersey resident recycled 33 percent of the glass containers in the solid waste stream. And I am talking about all glass containers, not just those that would be affected by a bottle deposit bill. In 1989 our citizens raised this figure to 53 percent. And it appears that the figures for 1990 will climb to 65 percent. No bottle bill state can compare with that, including those that have been trying for years. It is inconceivable that one would want to interrupt a goose that is laying a golden egg.

If the purpose of forced deposits is to reduce the volume of solid waste, they have proved inadequate. According to the U.S. Environmental Protection Agency, beverage containers comprise only 3.5 percent of waste by weight and only 2.5 percent by volume, so the solid waste stream is minimally effected by deposit laws. Since New Jersey is already recycling two-thirds of that 3.5 percent, that brings it down to less than 1.2 percent. And as we zero in on our 90 percent recycling target for glass, we are talking about less than ~~one third~~ of one percent of the glass containers that would be effected by forced deposits.

State and local governments across the country--and indeed from around the world--are looking at New Jersey's recycling program. They are turning to comprehensive curbside recycling rather than forced deposits as they combat the mounting solid waste crisis. I am taking the liberty of including with this written report a recent letter that is typical of those we receive. This one is from a James Dougherty, a Peace Corp worker from Rutgers University, who is working on a recycling program in Costa Rica. They want to know about recycling in New Jersey.

It is interesting to note that no state that has a recycling program has elected to add a bottle bill. But there are states that have bottle bills that have seen the need to add recycling programs.

Forced deposits also undermine recycling programs. A U. S. general accounting office study released last November concludes that a mandatory beverage container deposit law could hurt curbside recycling programs by reducing their overall operating revenues anywhere from 15 to 40 percent. It also states that curbside and deposit systems in combination are more costly than either one alone.

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A 1989 study by Franklin Associates, Ltd. noted that operating both a forced deposit law and a comprehensive recycling program in the same area can be significantly more expensive to taxpayers. Looking at two forced deposit states. In Vermont the cost doubled, and in New York the cost was 2.5 times as much.

One problem with a deposit law coexisting with a curbside recycling program is that the deposit law removes a substantial portion of the recycling program's revenues. In diverting valuable materials such as glass and aluminum, the backbone of recycling programs, deposit laws remove the main revenue producers from the mandatory recycling program. Thus, either the municipal recycling program cannot be run as effectively, or local residents will have to pay higher taxes to operate the program.

Is the argument that a bottle deposit will combat litter by cleaning up New Jersey cities, towns and countryside? If so, we must take a look at the comprehensive 1989 New Jersey Litter Survey conducted by the Division of Solid Waste Management's Clean Communities Program. It shows that as far as glass beverage containers are concerned, if they were ALL picked up and turned in for deposit, they would account for 0.8 percent of the total litter out there. That is not 0.8 percent of the solid waste, but 0.8 percent of the litter. If that is the case, there would probably be more merit in imposing a deposit tax on newspapers or candy bar wrappers, since they are among the paper products that make up 29 percent of New Jersey's litter.

From an economic point of view, forced deposits in New Jersey would lay an additional heavy cost on the consumer. They raise the cost of beverages beyond the deposit amount. With forced deposits, bottlers and retailers, even small convenience stores, must clean, sort and store returned containers. The activities increase their costs both for storage space and employee help, and they naturally pass these costs along to consumers. And since not all containers are washed before they are returned, the store's storage areas attract insects and bugs which create sanitation problems for the retailers and potential health hazards for their customer.

We all know that New Jersey residents set out glass containers along with their other recyclables for pick-up. Some towns put all of their recyclables in one container. Others source separate each of the recyclables in different containers. Some communities even sort the three colors of glass into three additional separate containers. If we were to have a bottle deposit, residents will have to have still more containers in their home. Some for glass containers that are still to be recycled at the curb. Others for containers that are to be taken back to the store. A simple program becomes complicated.

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One final point on behalf of the union workers who work for the glass industry. Forced deposits impact on glass industry jobs. Due to the decline in market share, glass plants are forced to eliminate jobs or close plants entirely. In New York alone 880 glass workers lost their jobs after the enactment of the forced deposits law.

Glass manufacturing is New Jersey's oldest industry. Once there were dozens of glass plants in New Jersey. Now there are a handful left. Even at that, New Jersey has about 10 percent of the nation's glass plants. As long as they are here, they provide a market for recycled glass.

Mr. Chairman, Members of the Committee, thank you very much for giving the New Jersey Glass Recycling Association the opportunity to present this information at this hearing.

\*\*\*\*\*

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CUERPO DE PAZ • COSTA RICA

August 20, 1991

New Jersey Glass Recycling Association  
PO Box 8169  
Glen Ridge, NJ 07028

Dear New Jersey Glass Recycling Association,

I am currently serving as a United States Peace Corps volunteer in San Jose, Costa Rica. My Peace Corps service is part of a joint program between the Peace Corps and Rutgers University leading to a master's degree in Public Policy/International Development.

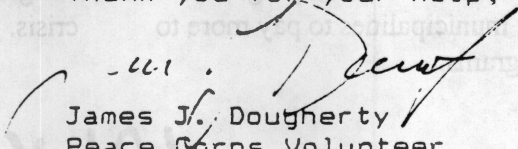
My Peace Corps service includes working with an organization here in Costa Rica called "Fundacion Ninos en Nuestras Manos" (Children's Foundation in Our Hands). This organization has a number of ongoing projects to help children who live or work in the streets of the capital city, San Jose. These programs are funded through a glass recycling program that FUNENM has. We currently have recycling collection points, similar to the one shown in the photo, in over 250 locations throughout Costa Rica. (That's me in the photo.)

My main task with this organization is to promote participation in these glass recycling efforts. The principle way I do this is through presentations on recycling (not solely limited to glass recycling), the environment and resource management in schools, community groups and other organizations throughout Costa Rica.

The purpose of this letter is to request your assistance in the collection of information for these presentations. I would be delighted if you could send me any material (English or Spanish, print or visual) you may have that would aid me in giving interesting and informative presentations on recycling and resource management. In addition, we are also considering expanding our resource collection efforts to include the collection of other recyclables (paper, metal and plastics) as well. As such, any information you could provide regarding the formation and management of a comprehensive city-wide or state wide resource collection system would be useful. Please send this information to me at the Peace Corps address highlighted below.

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Thank you for your help,

  
James J. Dougherty  
Peace Corps Volunteer

## The GAO Report: No Support for Forced Deposits

*Congressman Paul Henry (R-MI) and Senator Mark Hatfield (R-OR) asked the General Accounting Office to study the economic benefits of a national forced deposit system. The report, released in November of 1990, could not identify clear economic benefits, a serious blow to deposit supporters. Among the key findings of the report:*

- A. "We believe that quantifying a national law's potential costs and benefits with a high degree of confidence is unlikely." pg. 1

Quantifying benefits is unlikely because they don't exist. The GAO spent ten months looking for the economic arguments to support forced deposits and could not find them.

- B. "Deposit laws reduce solid waste by about 3 percent to 4 percent by weight." pg. 34

"Beverage containers comprise about 4.1 percent of the waste stream." pg. 34

The EPA estimates that containers, packagings, newspapers, disposable food service items, and yard waste make up almost 78% of the solid waste stream. Curbside programs pick up most of these materials. Therefore curbside programs can be almost 20 times more effective at reducing solid waste going to landfills.

- C. "Deposit systems divert valuable scrap materials and revenues away from curbside recycling programs." pg. 36

"Beverage container scrap provides nearly half the scrap revenue a curbside recycling program earns." pg. 36

Deposit systems cripple curbside programs. By diverting scrap revenue from curbside programs, deposits would force municipalities to pay more to support curbside programs.

- D. "Litter reduction is one of the few areas where the effects of a deposit law are documented." pg. 32

Litter is a minor problem compared to the solid waste disposal crisis. We need comprehensive solutions like curbside collection or approaches like the Washington State legislation that reduces litter, promotes recycling, and doesn't cost jobs.

- E. "The vast majority of Americans support a national beverage container deposit law." pg. 2

The GAO survey is flawed by bad methodology and leading questions. An October 1990 Gallup survey shows overwhelming support for curbside (51%), and weak support for deposits (19%)

In addition, forced deposit legislation costs jobs. In New York and Michigan, forced deposit legislation cost 1750 jobs in the glass industry alone, and the the U.S. Department of Commerce has estimated that a national forced deposit system would result in the loss of 82,000 skilled jobs nationwide.

A broad coalition of manufacturers, retailers, unions, and recyclers opposes a national forced deposit system, but vigorously support comprehensive curbside recycling programs.

We urge you to do the same. Support curbside recycling because this is a true solution to the solid waste crisis.

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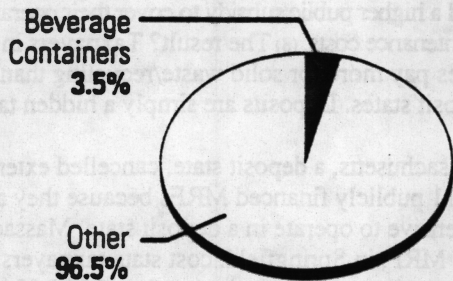
# Why Comprehensive Recycling is More Effective than Beverage Container Deposits

## Effect on the Municipal Solid Waste Stream

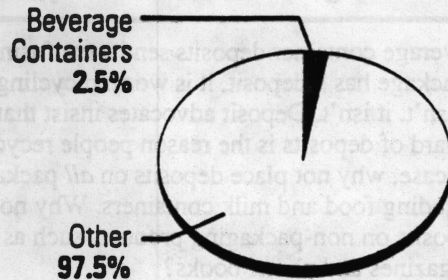
U. S. Environmental Protection Agency studies show that beverage (beer and soft drinks) containers are 3.5% of the municipal solid waste (MSW) stream, after recycling, by weight and 2.5% by volume. (1)

## Beverage Containers in Municipal Solid Waste Landfills

**By Weight**



**By Volume**

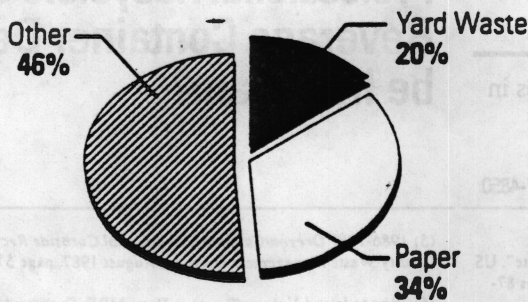


Beverage container deposits do not address yard waste, paper and other significant contributors to solid waste. (Yard waste is 20% of MSW discarded by weight and 10% by volume, and paper

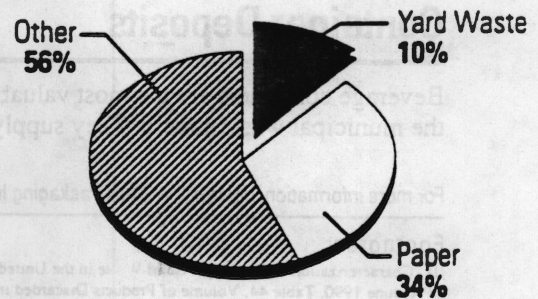
packaging and paper products are 34% of MSW by weight and by volume. (2) All these other materials need to be recycled or otherwise disposed of.

## Yard Waste and Paper in Municipal Solid Waste Landfills

**By Weight**



**By Volume**



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## Recycling Rates in Deposit and Non-Deposit States

On the East Coast, on the West Coast and in between, recycling rates are highest in non-deposit states. New Jersey has an 18% recycling rate, Washington a 29% recycling rate and Minnesota a 15% recycling rate. (3)

No state which initially passed a comprehensive recycling law has passed beverage container deposit legislation. All deposit states have been forced to pass more comprehensive recycling legislation. (4)

## Why Beverage Container Deposits are Confusing to Potential Recyclers

Beverage container deposits send a confusing message: if a package has a deposit, it is worth recycling. If it doesn't, it isn't. Deposit advocates insist that the financial reward of deposits is the reason people recycle. If that is the case, why not place deposits on *all* packaging, including food and milk containers. Why not place deposits on non-packaging products such as newspapers, magazines and phone books?

Beverage container deposits combined with comprehensive curbside recycling programs create two competing systems for recycling. Citizens must return beverage containers to retail stores and place other recyclables at the curb. This dual system wastes energy and resources.

A 1988 study cited beverage container deposits as one of three reasons why curbside collection programs in Oregon have lower participation rates than similar programs in California. According to the study, "If a resident did not have any recyclables to set out other than deposit beverage containers (at a given time), that person was not likely to participate in a curbside recycling program at that time." (5)

## The Economic Effect of Beverage Container Deposits

Beverage containers are the most valuable recyclables in the municipal waste stream. They supply 11% of the

recyclables processed at Rhode Island's Materials Recovery Facility (MRF) and 65% of the revenue for that facility. (6) An MRF is the facility that processes the recyclables collected in a curbside recycling program.

A company that operates MRFs in both New Jersey and Connecticut reports that the New Jersey MRF averages \$30 more per ton in revenues for recyclables than its Connecticut MRF. Why the difference? The New Jersey MRF processes more beverage containers. (7) Connecticut taxpayers pay more to process recyclables in their dual system.

In non-deposit states, MRF operators expect the revenue from the sale of recyclables to cover their operating costs. In deposit states, they receive much lower revenues and need a higher public subsidy to cover their operational and maintenance costs. (8) The result? Taxpayers in deposit states pay more for solid waste/recycling than in non-deposit states. Deposits are simply a hidden tax.

Massachusetts, a deposit state, cancelled extensive plans for 11 publicly financed MRFs because they are too expensive to operate in a deposit state. Massachusetts' first MRF, in Springfield, cost state taxpayers \$5 million to construct, requires a tipping fee of \$14.50 per ton and a subsidy of \$6 per ton for all materials recycled. (9) Massachusetts taxpayers are footing the bill for a dual curbside and deposit system.

In many states, deposit proponents argue that unclaimed deposits should be claimed by the state. This gives the state no incentive to enforce the deposit laws. With great pressure to use state money to cover state deficits, little if any of the unclaimed deposits will be used to support recycling.

## Is it any Wonder that Professional Solid Waste Managers and Professional Recyclers Consider Beverage Container Deposits to be Irrelevant?

For more information, contact the Glass Packaging Institute, (202) 887-4850.

### Footnotes:

(1) "Characterization of Municipal Solid Waste in the United States: 1990 Update". US EPA. June 1990. Table 44. Volume of Products Discarded in MSW. 1988. pages 87-88.

(2) *ibid.*

(3) *Bicycle*. March 1990. "The State of Garbage in America" Table One. page 51.

(4) Connecticut, Delaware, Iowa, Maine, Massachusetts, Michigan, New York, Oregon and Vermont have all passed more comprehensive recycling laws in addition to their beverage container laws.

(5) 1986-1987 Oregon/California Residential Curbside Recycling Report. Lane County Waste Management Division. August 1987. page 57.

(6) "Rhode Island Volume/Revenue Data, MRF: Outbound Recyclable Material. May 1989-December 1989. Average Monthly", undated. Rhode Island Department of Environmental Management.

(7) "Deposit Law Could Undercut Recycling". *Wisconsin State Journal*. Madison, WI. March 4, 1990.

(8) "Anatomy of a Plant Contract." *Waste Age*. November 1989. page 104

(9) Material Recovery Facility State-of-the-Art Conference. May 8, 1990

## Coalition Against Forced Deposits

Adolph Coors Company  
AFL-CIO  
Aluminum Association  
Anheuser-Busch Company  
Ball Corporation  
Beer Institute  
Can Manufacturers Institute  
The Coca-Cola Company  
Council for Solid Waste Solutions  
Distilled Spirits Council of U.S.  
Food Marketing Institute  
Glass Molders, Pottery, Plastic, Allied Workers  
Glass Packaging Institute  
Heublin, Inc.  
ICI Films  
International Brotherhood of Teamsters  
Johnson Controls, Inc.  
Miller Brewing Company  
National Association of Chain Drug Stores  
National Association of Convenience Stores  
National Association for Plastic Container Recovery  
National Beer Wholesalers' Association  
National Grocers Association  
National Licensed Beverage Association  
National Liquor Stores Association, Inc.  
National Restaurant Association  
National Soft Drink Association  
Pepsi-Cola Company  
Steel Can Recycling Institute  
Wine Institute  
Wine and Spirits Wholesalers of America, Inc.

11-15-90 wam

107X

The majority of the membership of THE ASSOCIATION OF NEW JERSEY RECYCLERS strongly oppose Assembly Bills 3523, 90, 2201, 3120, 2714, 1024 and 281. The overall tone of our members' comments complained of these bills actually impeding the outstanding progress of the curbside recyclables collection programs, of inflicting a form of waste flow regulation on recyclables and of creating a nightmare for retailers, consumers and The Office of Recycling alike. We ask that you vote against these bills and avoid their potential negative impact upon recycling.

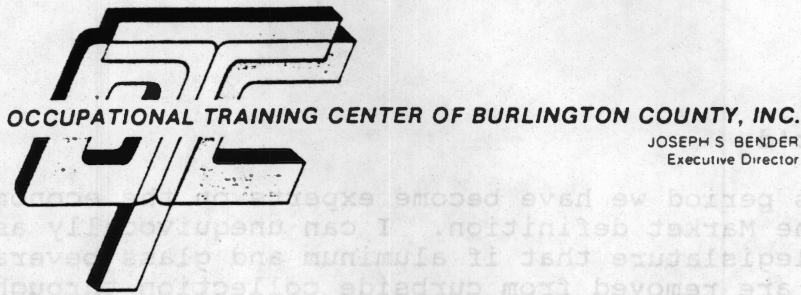
The Association's members commended Assembly Bill 281 for placing responsibility for packaging on the manufacturer; however, they categorized the certification of exempt packages as an impossible task for the understaffed and overburdened Office of Recycling. Additionally, they believe the monies from the "Solid Waste Reduction Fund" must be used to offer an incentive to recycle the targeted materials. The suggestions, for use of the Fund, ranged from being used as financial support to create reduction strategies to funding source reduction and recyclable end product development. Lastly, our membership questioned the standard for biodegradability; and, further questioned that if a material is biodegradable why it would not be mandated that the item be recycled.

No support was voiced for Assembly Bill 1024. None of our members felt that the general voting public would understand the full implication of the container deposit legislation. The majority of voters would not realize that the bills do not require the ultimate recycling of these containers. The Association of New Jersey Recyclers believes the Legislature should make their decision, on the deposit bills, based solely upon the merits of the proposed legislation.

Assembly Bills 3120, 2714, 2201, 90 and 3523 were all deemed counterproductive to the current recycling programs underway in each of New Jersey's twenty one counties. Deposit legislation is being proposed as an effective means of litter control. Our membership views this proposed legislation as an extremely cumbersome and expensive system which would only address a small fraction of the litter. These bills do not require that the containers eventually be recycled; therefore, it is not guaranteed that these containers will not end up in landfills. Also, the bulk of the revenues generated by the county programs result from the sale of glass and aluminum cans. The imposition of a deposit system removes that revenue source. Unfortunately, collection expenses will remain constant; however, the self funding these programs now enjoy will disappear.

It is for the aforementioned reasons that The Association of New Jersey Recyclers opposes this legislation.

108X



OCCUPATIONAL TRAINING CENTER OF BURLINGTON COUNTY, INC.

JOSEPH S. BENDER  
Executive Director

September 20, 1991

Algis Matisoska  
Assembly Committee  
Legislative Office Bldg.  
135 W. Hanover St.  
Trenton, N.J. 08625

RE: DEPOSIT LEGISLATION

Dear Mr. Matisoska,

I understand that the State Assembly is considering several Deposit Bills. These proposals seem somewhat ill advised since Recycling and Clean Communities laws have begun to address landfill and litter concerns, and States such as Maine are moving to repeal regressive (albeit nostalgic) deposit legislation.

The Occupational Training Center of Burlington County (a sheltered workshop) is in a very unique position to offer insight into both litter and recycling issues. We are not only the long term operators of the largest comprehensive (from curbside to mill) recycling program in the State, we also are responsible for roadside litter collection funded under the progressive Clean Communities Act.

It is from this vantage point that we offer an experienced opinion. Quite simply, litter can not be as well addressed by deposit legislation as it can be under the still expanding Clean Communities concept. Furthermore, the deposit approach does not dovetail well with recycling. This fact has already been established by studies originating from Oregon and Maine.

Actually, deposit legislation may prove disastrous for curbside recycling of glass and cans in the State of New Jersey.

For the past four years our facility has been defending itself against litigation which revolves around the specific definition of "Markets" as it appears in the Recycling Act. The case now resides in the State Supreme Court.

Woodlane Road, Mt. Holly, New Jersey 08060 (609) 267-6677

///X

MEMBER: ASSOCIATION OF REHABILITATION FACILITIES, BURLINGTON COUNTY UNITED WAY, MOORESTOWN UNITED FUND

ACCREDITED BY THE COMMISSION FOR ACCREDITATION OF REHABILITATION FACILITIES

Page 2 cont'd.

During this period we have become experts on the economic test for the Market definition. I can unequivocally assure the State legislature that if aluminum and glass beverage containers are removed from curbside collection through deposit legislation, few, if any, will meet the Market test as defined in the Recycling Act. Curbside costs could rise to \$200-\$300 per ton if the bulk of recyclables, especially, income producers such as aluminum, are removed from fixed routes.

The result? By law, curbside recycling programs can be eliminated. Does anyone believe that cash starved municipalities will continue to operate very costly curbside recycling programs if not required by law?

Deposit laws are essentially anti-litter legislation. However, if a large percentage of roadside material is composed of material unaddressed by deposit legislation deposit laws will not achieve their primary goal.

Although we have been unable to allocate sufficient time to complete a comprehensive roadside litter composition study we have generated the thought provoking data which is enclosed. In comparing years 1990 to 1991 the survey reveals remarkable consistency, lending support to its statistical reliability.

The attached surveys were developed by counting the pieces of litter ("picks") collected by litter abatement crews on the dates and times indicated.

Before reviewing the data one point should be made. It is not only non-deposit litter that would be missed by deposit legislation. It can also be assumed that liquor containers, once opened, would be thrown from cars regardless of a small return deposit, due to very significant fines related to the possession of open liquor containers in vehicles.

A brief summary of the data indicates that the average of all roadside litter subject to deposit is about 60-65% of the total, leaving 35-40% of non-deposit litter. If we remove alcoholic containers from the data we find a startling average of 70-75% of roadside litter that would not be controlled by deposit legislation.

Although it can be argued that children, or scavengers, would pick up most deposit related litter, such armies of entrepreneurs would still not collect the 35-40% of non-deposit material.

112X

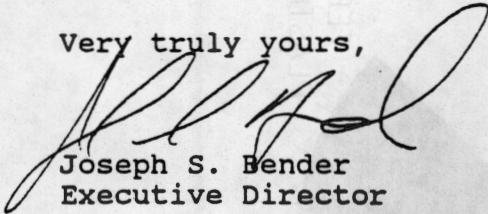
Page 3 cont'd.

Hopefully the Assembly Solid Waste Committee will look to the documented failure of deposit legislation in Oregon and Maine before proceeding with similar programs here in New Jersey.

Instead, I suggest that we follow our Governor's call for increased recycling and expand the Clean Communities program to more effectively address litter which is, after all, the real impetus for deposit legislation.

I would, add, however, that some system of taxation, fees, or whatever, be imposed on materials such as green glass (mostly imported from outside the US) and plastics which, due to their uniqueness, are costly and/or difficult to recycle.

Very truly yours,



Joseph S. Bender  
Executive Director

JSB;db

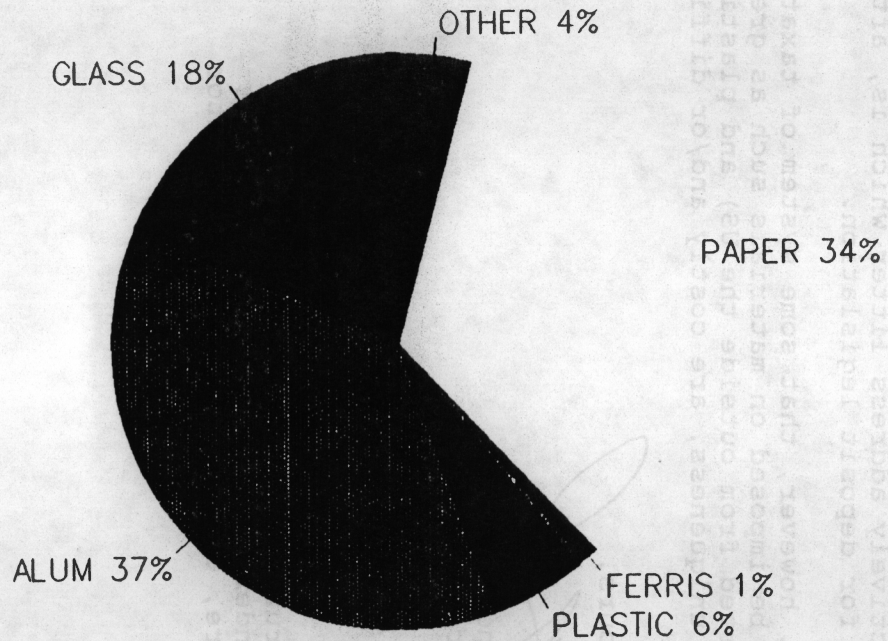
c.c. Marie Kruzan, ANJAR Executive Director  
Cliff Anderson, O.T.C. Board President  
Ann Moore, County Recycling Coordinator

113 X

# LITTER COMPOSITION SURVEY

6/22/90 - 7/19/90

114 X



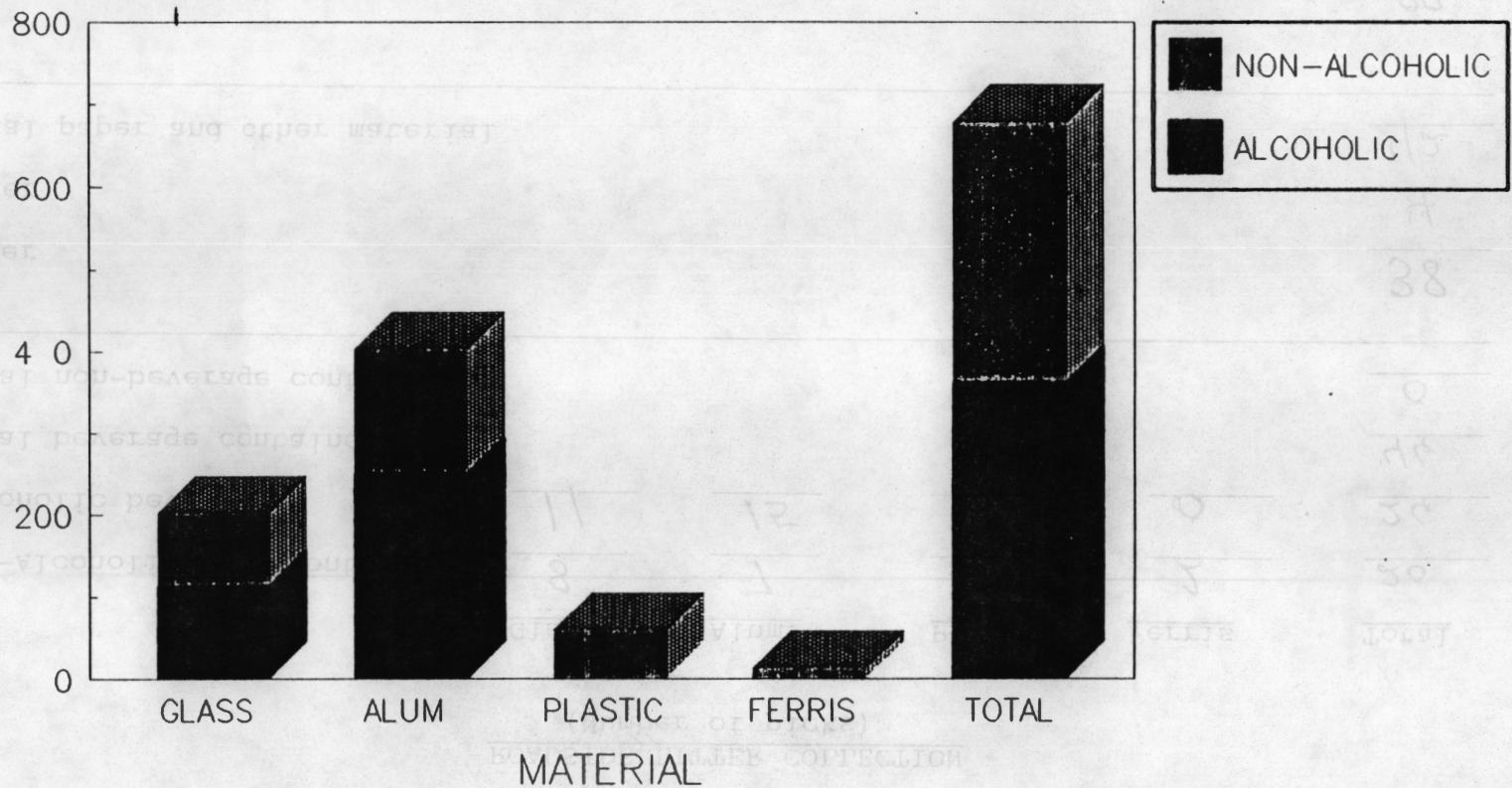
SURVEY WAS CONDUCTED 1 HR/DAY  
ON 10 SEPARATE DAYS

# LITTER COMPOSITION SURVEY

## ALCOHOLIC VS NON-ALCOHOLIC BEVERAGE CONTAINERS

6/22/90 - 7/19/90

NUMBER OF PICKS



SURVEY CONDUCTED 1 HR/DAY ON 10 SEPARATE DAYS  
 MATERIAL IS QUANTIFIED BY NUMBER OF  
 "PICKS" (EACH PIECE OF LITTER COLLECTED)

115X

Date 7/12/90  
Time 12:00 - 2:00

Technician [Signature]

ROADSIDE LITTER COLLECTION  
(Number of picks)

116x

	<u>Glass</u>	<u>Alum.</u>	<u>Plas.</u>	<u>Ferris</u>	<u>Total</u>
Non-Alcoholic bev. cont.	<u>8</u>	<u>7</u>	<u>3</u>	<u>2</u>	<u>20</u>
Alcoholic bev. cont.	<u>11</u>	<u>15</u>	<u>0</u>	<u>0</u>	<u>26</u>
Total beverage containers					<u>46</u>
Total non-beverage containers					<u>0</u>
<hr/>					
Paper					<u>38</u>
Other					<u>4</u>
Total paper and other material					<u>42</u>
<hr/>					
Total all picks					<u>88</u>

Date 7-16-58

Technician \_\_\_\_\_

Time \_\_\_\_\_

ROADSIDE LITTER COLLECTION  
(Number of picks)

	<u>Glass</u>	<u>Alum.</u>	<u>Plas.</u>	<u>Ferris</u>	<u>Total</u>
Non-Alcoholic bev. cont.	<u>9</u>	<u>25</u>	<u>6</u>	<u>3</u>	<u>43</u>
Alcoholic bev. cont.	<u>16</u>	<u>45</u>	_____	_____	<u>61</u>
* Total beverage containers					<u>104</u>
Total non-beverage containers					<u>0</u>
<hr/>					
Paper					<u>35</u>
Other					<u>5</u>
Total paper and other material					<u>40</u>
<hr/>					
Total all picks					<u>144</u>

117X

Date 7/1-199

Technician: [Signature]

Time 1:00 PM - 2:00 PM

ROADSIDE LITTER COLLECTION  
(Number of picks)

118X

	<u>Glass</u>	<u>Alum.</u>	<u>Plas.</u>	<u>Ferris</u>	<u>Total</u>
Non-Alcoholic bev. cont.	<u>9</u>	<u>12</u>	<u>5</u>	<u>1</u>	<u>27</u>
Alcoholic bev. cont.	<u>12</u>	<u>42</u>	<u>    </u>	<u>    </u>	<u>54</u>
Total beverage containers					<u>81</u>
Total non-beverage containers					<u>0</u>
<hr/>					
Paper					<u>30</u>
Other					<u>0</u>
Total paper and other material					<u>30</u>
<hr/>					
Total all picks					<u>111</u>

Date 7/18/90  
Time 11:50 - 12:30

Technician A. Waller

ROADSIDE LITTER COLLECTION  
(Number of picks)

	<u>Glass</u>	<u>Alum.</u>	<u>Plas.</u>	<u>Ferris</u>	<u>Total</u>
Non-Alcoholic bev. cont.	<u>5</u>	<u>10</u>	<u>6</u>	<u>2</u>	<u>23</u>
Alcoholic bev. cont.	<u>15</u>	<u>25</u>			<u>40</u>
* Total beverage containers					<u>63</u>
Total non-beverage containers					<u>          </u>
<hr/>					
Paper					<u>45</u>
Other					<u>4</u>
Total paper and other material					<u>49</u>
<hr/>					
Total all picks					<u>112</u>

119X

Date 7/19/90

Technician *[Signature]*

Time 12:00 PM To 1:00 PM

ROADSIDE LITTER COLLECTION  
(Number of picks)

120X

	<u>Glass</u>	<u>Alum.</u>	<u>Plas.</u>	<u>Ferris</u>	<u>Total</u>
Non-Alcoholic bev. cont.	<u>3</u>	<u>15</u>	<u>3</u>	<u>3</u>	<u>24</u>
Alcoholic bev. cont.	<u>20</u>	<u>15</u>	<u>    </u>	<u>    </u>	<u>35</u>
* Total beverage containers					<u>59</u>
Total non-beverage containers					<u>0</u>
<hr/>					
Paper					<u>50</u>
Other					<u>3</u>
Total paper and other material					<u>53</u>
<hr/>					
Total all picks					<u>112</u>

Date 6/22/90

Technician Lee Miller

Time 8:30 To 9:30 AM

ROADSIDE LITTER COLLECTION  
(Number of picks)

	<u>Glass</u>	<u>Alum.</u>	<u>Plas.</u>	<u>METAL Ferris</u>	<u>Total</u>
Non-Alcoholic bev. cont.	<u>5</u>	<u>10</u>	<u>6</u>	<u>3</u>	<u>24</u>
Alcoholic bev. cont.	<u>4</u>	<u>23</u>	<u>0</u>	<u>0</u>	<u>27</u>
Total beverage containers					<u>51</u>
Total non-beverage containers					<u>          </u>
<hr/>					
Paper					<u>33</u>
Other					<u>5</u>
Total paper and other material					<u>38</u>
<hr/>					
Total all picks					<u>89</u>

1 MAN - 1 hr.

.4270  
non deposit  
5370 alcoholic  
bev  
containers

121X





Date 5/1/77

Technician Paul J. Hall

Time 1:00 PM to 2:30 PM

ROADSIDE LITTER COLLECTION  
(Number of picks)

	<u>Glass</u>	<u>Alum.</u>	<u>Plas.</u>	<u>Ferris</u>	<u>Total</u>
Non-Alcoholic bev. cont.	<u>9</u>	<u>11</u>	<u>7</u>	<u>0</u>	<u>27</u>
Alcoholic bev. cont.	<u>5</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>15</u>
Total beverage containers					<u>42</u>
Total non-beverage containers					<u>3</u>
<hr/>					
Paper					<u>55</u>
Other					<u>5</u>
Total paper and other material					<u>60</u>
<hr/>					
Total all picks					<u>105</u>

124 X

Date 6/28/91

Technician J. Miller

Time \_\_\_\_\_

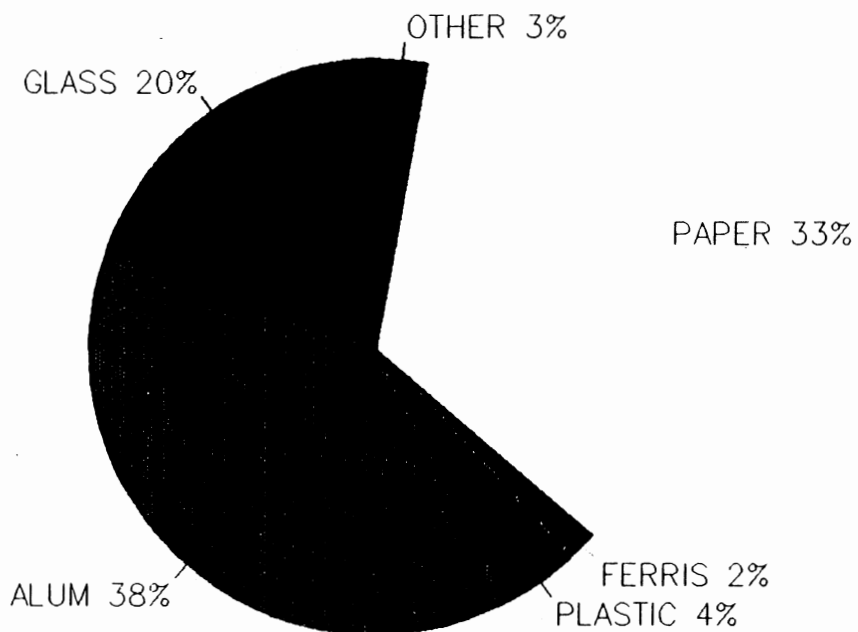
ROADSIDE LITTER COLLECTION  
(Number of picks)

	<u>Glass</u>	<u>Alum.</u>	<u>Plas.</u>	<u>Ferris</u>	<u>Total</u>
Non-Alcoholic bev. cont.	<u>17</u>	<u>30</u>	<u>15</u>	<u>0</u>	<u>62</u>
Alcoholic bev. cont.	<u>6</u>	<u>30</u>	<u>0</u>	<u>0</u>	<u>36</u>
* Total beverage containers					<u>98</u>
Total non-beverage containers					<u>3</u>
<hr/>					
Paper					<u>28</u>
Other					<u>4</u>
Total paper and other material					<u>32</u>
<hr/>					
Total all picks					<u>133</u>

125K

# LITTER COMPOSITION SURVEY

8/16/91 - 8/23/91



126x

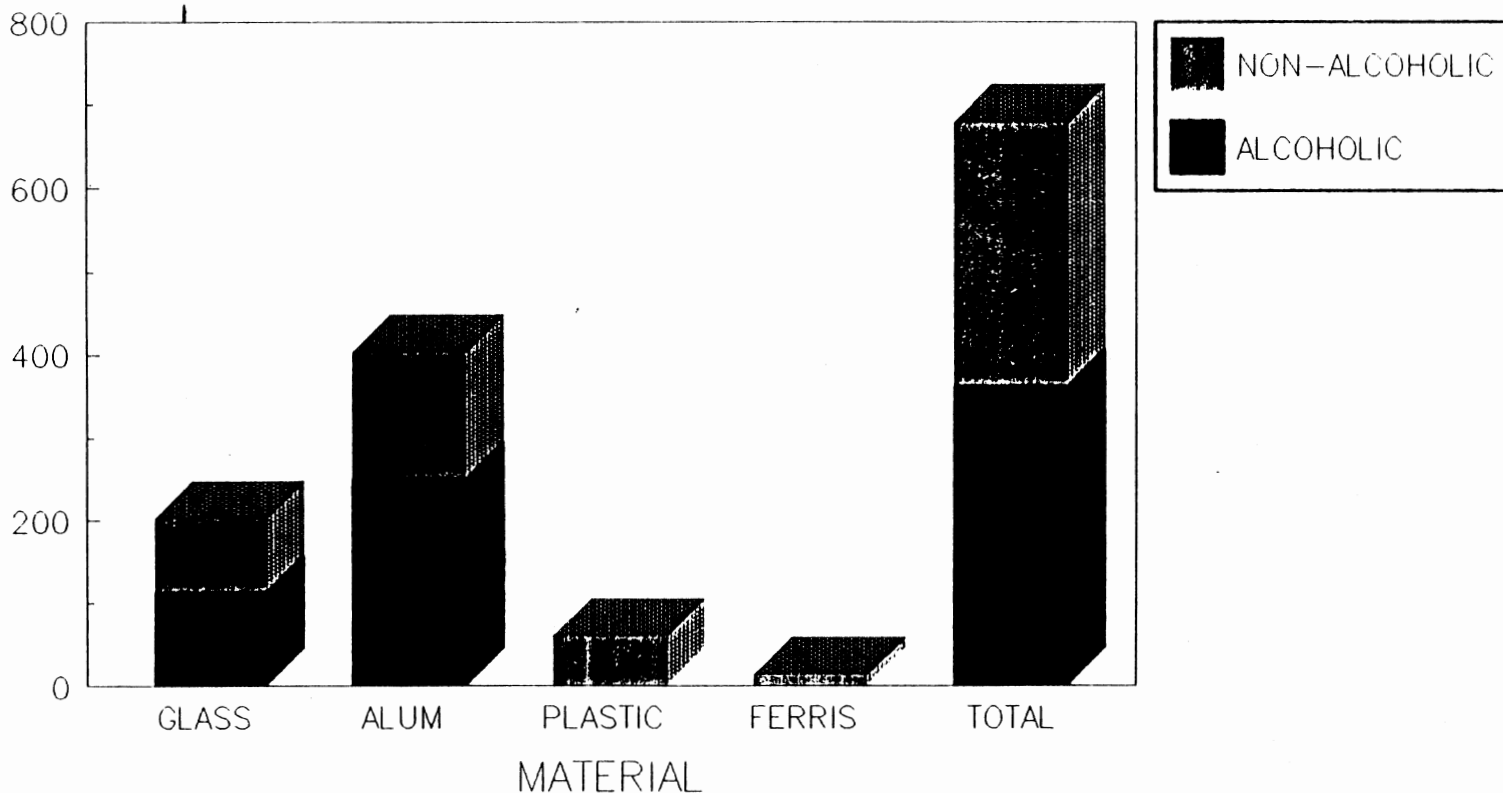
SURVEY WAS CONDUCTED 1 HR/DAY ON 5 SEPARATE DAYS

# LITTER COMPOSITION SURVEY

## ALCOHOLIC VS NON-ALCOHOLIC BEVERAGE CONTAINERS

6/22/90 - 7/19/90

NUMBER OF PICKS



127\*

SURVEY CONDUCTED 1 HR/DAY ON 10 SEPARATE DAYS  
MATERIAL IS QUANTIFIED BY NUMBER OF  
"PICKS" (EACH PIECE OF LITTER COLLECTED)

Date 8-16-91

Technician J. J. [unclear]

Time 7:12 AM to 7:36 AM

ROADSIDE LITTER COLLECTION  
(Number of picks)

	<u>Glass</u>	<u>Alum.</u>	<u>Plas.</u>	<u>Ferris</u>	<u>Total</u>
Non-Alcoholic bev. cont.	<u>10</u>	<u>10</u>	<u>5</u>	<u>1</u>	<u>26</u>
Alcoholic bev. cont.	<u>6</u>	<u>16</u>	<u>0</u>	<u>0</u>	<u>22</u>
* Total beverage containers	<u>16</u>	<u>26</u>	<u>5</u>	<u>1</u>	<u>48</u>
Total non-beverage containers					<u>0</u>
<hr/>					
Paper					<u>35</u>
Other					<u>3</u>
Total paper and other material					<u>38</u>
<hr/>					
Total all picks					<u>86</u>

128X

Date 7-27-81

Technician J. J. Miller

Time 12:30 PM - 1:30 PM

ROADSIDE LITTER COLLECTION  
(Number of picks)

129X

	<u>Glass</u>	<u>Alum.</u>	<u>Plas.</u>	<u>Ferris</u>	<u>Total</u>
Non-Alcoholic bev. cont.	<u>5</u>	<u>14</u>	<u>11</u>	<u>3</u>	<u>27</u>
Alcoholic bev. cont.	<u>10</u>	<u>21</u>	<u>1</u>	<u>1</u>	<u>32</u>
Total beverage containers	<u>15</u>	<u>36</u>	<u>6</u>	<u>3</u>	<u>59</u>
Total non-beverage containers					
Paper					<u>41</u>
Other					<u>2</u>
Total paper and other material					<u>43</u>
Total all picks					<u>102</u>

Date 8-21-91

Technician J. Walker

Time 1:30<sup>pm</sup> to 7:00<sup>pm</sup>

ROADSIDE LITTER COLLECTION  
(Number of picks)

	<u>Glass</u>	<u>Alum.</u>	<u>Plas.</u>	<u>Ferris</u>	<u>Total</u>
Non-Alcoholic bev. cont.	<u>9</u>	<u>20</u>	<u>2</u>	<u>4</u>	<u>35</u>
Alcoholic bev. cont.	<u>17</u>	<u>30</u>	<u>1</u>	<u>0</u>	<u>48</u>
Total beverage containers	<u>26</u>	<u>50</u>	<u>3</u>	<u>4</u>	<u>83</u>
Total non-beverage containers					<u>0</u>
<hr/>					
Paper					<u>52</u>
Other					<u>5</u>
Total paper and other material					<u>57</u>
<hr/>					
Total all picks					<u>140</u>

130X

Date 8-27-91

Technician Joe Weller

Time 10:00 AM To 11:21 PM

ROADSIDE LITTER COLLECTION  
(Number of picks)

	<u>Glass</u>	<u>Alum.</u>	<u>Plas.</u>	<u>Ferris</u>	<u>Total</u>
Non-Alcoholic bev. cont.	<u>9</u>	<u>6</u>	<u>1</u>	<u>1</u>	<u>17</u>
Alcoholic bev. cont.	<u>7</u>	<u>35</u>	<u>0</u>	<u>0</u>	<u>42</u>
Total beverage containers	<u>16</u>	<u>41</u>	<u>1</u>	<u>1</u>	<u>59</u>
Total non-beverage containers					
<hr/>					
Paper					<u>21</u>
Other					<u>2</u>
Total paper and other material					<u>23</u>
<hr/>					
Total all picks					<u>82</u>

131X

Date 8-23-91

Technician Jul. Wallace

Time 1<sup>30</sup> PM To 2<sup>30</sup> PM

ROADSIDE LITTER COLLECTION  
(Number of picks)

	<u>Glass</u>	<u>Alum.</u>	<u>Plas.</u>	<u>Ferris</u>	<u>Total</u>
Non-Alcoholic bev. cont.	<u>18</u>	<u>10</u>	<u>9</u>	<u>1</u>	<u>47</u>
Alcoholic bev. cont.	<u>12</u>	<u>28</u>	<u>0</u>	<u>0</u>	<u>40</u>
Total beverage containers	<u>30</u>	<u>48</u>	<u>8</u>	<u>1</u>	<u>87</u>
Total non-beverage containers					<u>          </u>
<hr/>					
Paper					<u>27</u>
Other					<u>3</u>
Total paper and other material					<u>30</u>
<hr/>					
Total all picks					<u>117</u>

132X

PARTICIPATING ORGANIZATIONS:

Alliance for a Living Ocean  
American Association of University Women  
American Littoral Society  
Arts Guild, St. Augustine Episcopal Church  
Asbury Park Fishing Club  
    Balloon Alert  
    • Belford Seafood Co-op  
Belmar Chamber of Commerce  
    • Central Jersey Anglers  
• Citizens Conservation Council  
Coalition Against Toxics  
    • Concerned Businesses  
    • Concerned Citizens  
    • C.W.A. Local 1034  
    • Eastern Surfing Assoc., N.J.  
Educational Services Commission/MACOM  
Environmental Defense Fund  
Fishermen's Dock Cooperative  
Garden Club of Fair Haven  
Garden Club of Long Beach Island  
    Greenpeace, U.S.A.  
Greater Long Branch Chamber of Commerce  
    Hi-Mar Stripper Club  
Hudson River Fishermen's Assoc., N.J. Chapter  
Hudson River Sloop Clearwater  
    • District Three I.D.E.  
Ironbound Community Against Toxic Waste  
Jersey Coast Anglers Assoc.  
Jersey Coast Shark Anglers  
Jersey Shore Audubon Society  
Jersey Shore Captain's Assoc.  
Junior League of Monmouth County  
    Junior League of Summit  
    Keansburg Women's Club  
    Kiwanis Club of Manasquan  
    Kiwanis Club of Shadowlake  
    Kiwanis Club of Shrewsbury  
League of Women Voters of Mon. County  
    Little Silver Garden Club  
Marine Mammal Stranding Center  
Marine Trades Association  
Middlesex County Board of Realtors  
Middletown Area Chamber of Commerce  
    Monmouth Council of Girl Scouts  
Monmouth County Audubon Society  
• Monmouth County Board of Realtors  
• Monmouth County Friends of Clearwater  
Monmouth County Race Meet Assoc.  
Monmouth County Superintendent's Office  
Monmouth Ocean Development Council  
    Monmouth SPAS  
National Coalition for Marine Conservation  
Natural Resources Protective Association  
New Jersey Beach Buggy Association  
New Jersey Environmental Federation  
New Jersey Licensed Beverage Association  
• New Jersey Marine Science Consortium  
New Jersey Council on Diving Clubs  
New Jersey Marine Educators Association  
    New Jersey Sierra Club  
    New York City Sea Gypsies  
    New York Science Educators  
    Newcomers Club  
Ocean County Environmental Association  
Ocean County Board of Realtors  
Ocean County Citizens for Clean Water  
Ocean County Coastal Zone Environmental Coalition  
Ocean County Isaac Walton League  
Outreach Commission of United Methodist Church  
Peace Site Committee, Montclair Unitarian Church  
Piscataway Saltwater Fishing Club  
    Red's Surf Devils  
Red Bank Women's Club  
    River Raft  
    Rumson Garden Club  
Saltwater Sportsmen's Club  
Sandy Hook Bay Catamaran Club  
Save Our Ocean Committee  
Sea Roamers Dive Club  
Shark River Surf Anglers  
Shore Surf Club  
South Monmouth Board of Realtors  
St. George-by-the-River Episcopal Church  
Staten Island Federation of Sportsmen's Club  
Staten Island Sport Divers  
Tampon Applicator Creative Clubs International  
Thousand Fathom Club  
Tri-State Metro Naturalists  
Tri-State Sun Club  
United Boatmen of N.J. & N.Y.  
Village Women's Club  
Wall Area Chamber of Commerce  
    Women's Call to Action  
    Women's Club of Keyport  
    Women's Club of Little Silver  
    Women's Club of Middletown

STUDENT GROUPS:

H2O Club  
HOPE  
Kids Against Pollution  
Long Branch Marine Science Magnet Schools  
Red Bank Interact  
SAVE

\* DENOTES BOARD OF TRUSTEES MEMBER



**CLEAN OCEAN ACTION**

PO Box 505 • Highlands, NJ 07732 • (908) 872-0111

CONTACT: SUSAN FEIRING-Statewide  
CINDY ZIPF  
TIM MERKEL- Ocean County  
BEN FOREST: 908-747-0306 North Jersey &  
Bayshore

For immediate release:

THOUSANDS TURN OUT TO CLEAN NJ BEACHES

CLEAN OCEAN ACTION, American Littoral Society, South Monmouth Board of Realtors and many other school and community groups announced the results of the largest Statewide Cleanup, Saturday April 20, 1991.

Total Number of Participants: over 2,000

Total Area of Beaches Cleaned: 33.5 miles

Number of Communities Participating: 36

Selected totals of debris categories:  
(Numbers reflect data collected on 14 cleanups.)

Plastics: bags-7,688, bottles-5,632,  
diapers-96, six-pack holders-587, straws-  
8,364, syringes-134, tampon applicators-  
2,326.

Styrofoam (polystyrene): cups-2,659.

Glass: bottles-3,871

Rubber: balloons-272.

Metal: cans-1,661.

Paper: bags-455.

Hard Hats: 17.

133X

Interesting items: 5 NY DEC survey bottles from NY's floatables study. 2 Homeless people. Plastic Santa Clause. "White Castle" fast food containers abundant in Ocean County. Animal trap. Muffler. Flying Bridge. Garter belt. Section of boardwalk. Money. A buoy from Delaware Department of Transportation. TV tube. Car bumper. Wading pool. "dolls hand coming out of ooze." Railroad ties.

TRENDS:

\*\*\*There was a significant decrease in the number of glass bottles and aluminum cans found which indicates that recycling and deposit programs are reducing these items.

\*\*\*There was an increase in the number of candy and snack wrappers, COA beleives this is because they are now made of plastic.

\*\*\*Fewer six pack holders. Many were cut into small pieces. COA beleives people are learning.

\*\*\*80 percent of the trash collected was plastic.

\*\*\*The beaches further north had a higher volume of trash.

\*\*\*More balloons were found in Southern Monmouth and Ocean Counties.

\*\*\*Huge chunks of floating styrofoam in Northern Jersey and Long Branch.

###

134X

The Dirty Dozen reflects meticulous data collection. The top five items reported are pieces or fragments of larger objects. Only volunteers dedicated to a cleaner environment would collect and record half a million cigarette butts or 250,000 plastic pieces discarded by someone else.

In addition, the Dirty Dozen highlights some obvious solutions to the marine debris problem. Several of our most prevalent items could be recycled after use and would then never appear on our beaches. Expanded community and marina recycling programs would reduce the number of glass beverage bottles, glass pieces, metal beverage cans, and plastic beverage bottles found in coastal areas.

The Dirty Dozen also highlights the need to address other debris items on an individual level. For instance, since volunteers reported 140,843 straws to be a prevalent debris items found on our beaches, in some communities concession stands near waterways should discontinue providing straws. The next 13 most prevalent items were as follows:

Rank	Item	Total Number Reported
13.	plastic beverage bottles	100,036
14.	metal bottle caps	96,528
15.	plastic rope	93,736
16.	wood and lumber	69,546
17.	miscellaneous plastic bags	66,408
18.	plastic trash bags	51,930
19.	cloth and clothing	48,424
20.	foamed plastic packaging	47,527
21.	miscellaneous plastic bottles	42,481
22.	paper cups	41,301
23.	metal pull tabs	36,328
24.	plastic milk and water gallon jugs	35,384
25.	plastic six-pack holders	34,722

***A Word About Bottle Bills***

Glass beverage bottles, metal beverage cans, and plastic beverage bottles were all among the 12 most prevalent items found on U.S. beaches. These items, along with plastic six-pack rings, metal bottle caps, and metal pull tabs make up the category of bottles and associated goods. Nationwide, more than 14% of the trash was bottles and associated goods (Figure 6). States that reported percentages above this figure include the Virgin Islands (36.3%), the District of Columbia (28.6%), Georgia (25.5%), Maryland (23.0%), North Carolina (22.2%), Mississippi (20.8%), Florida (18.6%), Puerto Rico (18.4%), Alabama (18.4%), Washington (18.1%), Rhode Island (17.5%), South Carolina (15.3%), Hawaii (15.1%), New Jersey (15.1%), and Alaska (14.5%).

Nine states have enacted legislation to encourage beverage container recycling. These "bottle bills" require vendors to add a few cents to the price of the beverage as a deposit. An individual receives a refund for the deposit upon return of the container. Six states that participate in the beach cleanup have bottle bill legislation—Connecticut, Delaware, Maine, Massachusetts, New York, and Oregon. In *all* of these states, the quantities of bottles and associated goods reported were lower than the national figure. *None* of the states that reported bottles and associated goods above the national figure have a beverage container law.

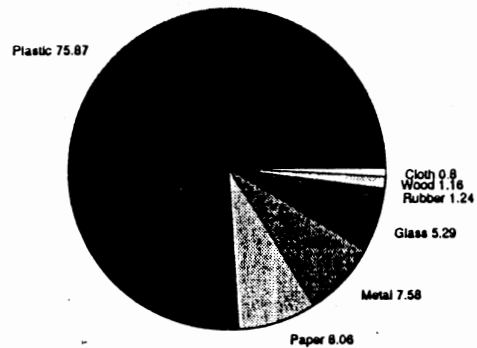
**Items Classified as Bottles and Associated Goods (14.32% of total)**

- plastic beverage bottles (100,036)
- glass beverage bottles (169,513)
- metal beverage cans (168,779)
- plastic six-pack rings (34,722)
- metal bottle caps (96,528)
- metal pull tabs (36,328)

135X

FALL '90

PERCENT COMPOSITION OF NEW JERSEY'S BEACH DEBRIS:

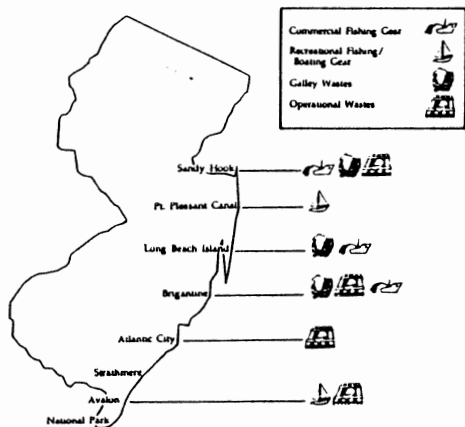


NEW JERSEY'S DIRTY DOZEN:

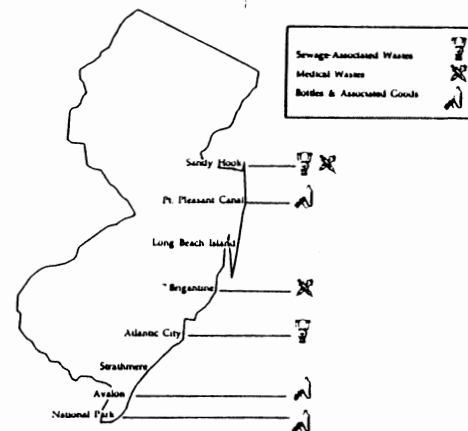
	Total Number Reported	Percent of Total Debris Collected
1. plastic straws	2,348	11.85
2. plastic pieces	1,532	7.73
3. plastic food bags/wrappers	1,442	7.28
4. foamed plastic pieces	1,322	6.67
5. plastic caps/lids	1,197	4.68
6. cigarette filters	1,184	5.98
7. metal beverage cans	1,006	5.08
8. plastic beverage bottles	773	3.91
9. paper pieces	772	3.90
10. glass beverage bottles	724	3.65
11. miscellaneous plastic	628	3.17
12. plastic cups/utensils	607	3.06
<b>TOTAL</b>	<b>13,535</b>	<b>68.32</b>

NEW JERSEY'S OCEAN-BASED DEBRIS HOTSPOTS:

136X

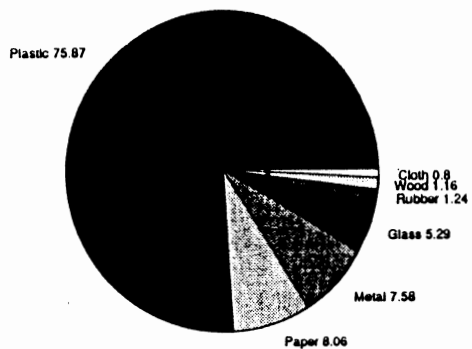


NEW JERSEY'S LAND-BASED DEBRIS AND BOTTLES/ASSOC. GOODS HOTSPOTS:



FALL '90

PERCENT COMPOSITION OF NEW JERSEY'S BEACH DEBRIS:

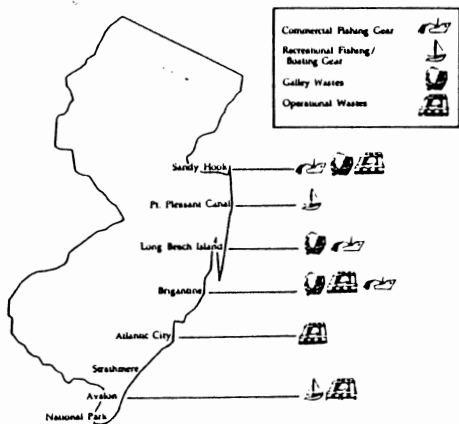


NEW JERSEY'S DIRTY DOZEN:

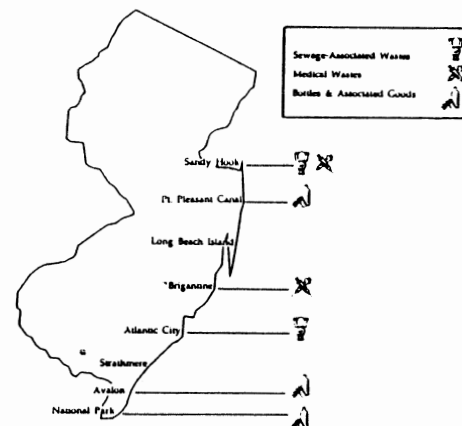
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11. miscellaneous plastic	628	3.17
12. plastic cups/utensils	607	3.06
<b>TOTAL</b>	<b>13,535</b>	<b>68.32</b>

NEW JERSEY'S OCEAN-BASED DEBRIS HOTSPOTS:

137X



NEW JERSEY'S LAND-BASED DEBRIS AND BOTTLES/ASSOC. GOODS HOTSPOTS:





# National Environmental Law Center

27 September 1991

Mr. Harry McEnroe  
Chairman Assembly Waste Management, Planning and Recycling Committee  
15 Village Plaza  
South Orange, New Jersey 07079

Dear Chairman McEnroe:

The enclosed analysis is in response to your question regarding the costs of a Bottle Bill in New Jersey. As I mentioned at the hearing, there are various points where costs are a factor. I have attempted to indicate those areas where the most significant additional and avoided costs of the program would result. This analysis is not intended to be an exhaustive analysis but rather a framework for evaluating the impact of the legislation. To the extent that information is available, more precise figures could be generated.

The bottom line is that we believe that the actual cost of implementation would be approximately \$40 million. This figure is significantly lower than the numbers cited by Anheuser-Busch. Enclosed is a detailed analysis of why we believe their figures are inflated.

I would hope that your Committee and staff would have time to consider these figures. I think you would concur that the fiscal impact of the Bottle Bill has been overstated while the benefits of increased solid waste diversion have been largely ignored.

Thank you for your time and consideration.

Sincerely,



Geoffrey Lomax  
Staff Scientist

*Regional Office:* 29 Temple Place, Boston, MA 02111 (617) 422-0880 Fax: (617) 422-0881  
*Other Offices:* Berkeley, CA • Newark, NJ • Washington, DC • Ann Arbor, MI

144X

CRITIQUE OF ANHEUSER-BUSCH'S FISCAL IMPACT ANALYSIS

AND

ANALYSIS AND SUPPORT DATA TO APPROXIMATE THE FISCAL IMPACT OF  
NEW JERSEY BOTTLE BILL

The following assessment is based on the assumption that a 5 or 10 cent container deposit and a three cent handling fee would be applied to beer and soft drink containers.

The analysis examines various private and public sector costs that would result from the enactment of a statewide Bottle Bill. Not every cost has been accounted for qualitatively; however, we have attempted to indicate where cost are incurred. The purpose of this analysis is to provide cost estimates for implementation of a statewide Bottle Bill and draw into question existing estimates that have overstated costs while not considering the benefits that would result from the law.

I. PROBLEMS WITH ANHEUSER-BUSCH COST ESTIMATES

[1] Increased Costs To Consumers Are Exaggerated:

Anheuser-Busch has in its fiscal analysis greatly over estimated the cost of implementation of a Bottle Bill in New Jersey. The analysis is flawed for the following reason

When calculating consumer cost Anheuser-Busch reports that 2.88 billion beverage containers are sold in New Jersey. Jean Clark in her 9/23/91 testimony reported that 1.10 billion beverage containers were sold in 1987. The difference in estimates is very significant because Anheuser-Busch uses the higher figure as its basis for calculating the cost of the Bottle Bill. Based on 2.88 billion beverages sold, Anheuser-Busch estimates the cost to the consumer to be over \$100 million.

We believe Anheuser-Busch's cost figures are incorrect because they have greatly overestimated the number of beverage containers sold in New Jersey. These figures are incorrect; because, they are based on one flawed assumption. Anheuser-Busch assumes that all soft drinks sold in New Jersey are in 12oz containers. In other words, they have assumed that all soft drinks are in the smallest possible container.

Not all soft drinks come in 12oz bottles. This is common sense. Based on beverage industry data, we know that 12oz cans, 16oz bottles and 2 liter bottles represent approximately 44.5, 17.2, and 31.7 percent of the market respectively. We also know that significant volumes of soft drinks are sold at soda fountains. When we account for larger packaging volumes and fountain sales, we believe the correct figure is between 1.1 billion and 1.5 billion beverage containers sold.

145X

Taking a mid point value of 1.3 billion and a 3 cent handling fee (18 cents / 6-pack) in the first year of implementation would be approximately \$39 million.

As mentioned in our testimony, we also believe that a deposit refund system would increase the use of refillable packaging which would reduce consumer costs since beverages sold in refill are up to 30% cheaper.

Anheuser-Busch has made the same assumption for beer sales as well. They have not considered the fact that beer is sold in 16oz and 32oz containers and that some beer is already sold in refillable bottles (approximately 6% of the market). While data limitations prevent us from making precise estimates of costs, we estimate that additional costs resulting from a 3 cent handling fee would be less than \$40 million a year. A more precise estimate would consider current packaging mix, amount of beer sold in refillable packaging, and potential for cost savings due to increased use of refillable packaging.

[2] Reduced Sales of Beverages Are Greatly Exaggerated:

Anheuser-Busch assumes that the Bottle Bill will result in a 10% decline in beer and soft drink sales and thus reduce revenues to the state. After reviewing studies relating the impact of the Bottle Bill on beverage sales, we concluded that the Anheuser-Busch estimated decline in beverage sales of 10% are greatly exaggerated, and that any potential decline in sales would minimal and short lived.

The GAO reviewed studies and concluded that some declines in sales were observed, but most studies concluded that the declines are short-term and only partially attributed to deposit laws. (GAO, 1990)

The Rockefeller Institute concluded the following:

"The extent to which the packaged volume changes reflects absolute volume declines and volume shifts is ambiguous. This ambiguity is important because the recorded volume declines are relatively small in percentage terms (around 3%), and such data limitations can produce misleading impressions when dealing with such small changes. Thus, we can only conclude that soft drink consumption declined up to about 2.5%, and that the decline was possibly less. (Rockefeller Report p.47)

The impact of the Bottle Bill on beer consumption was also studied. There is evidence of a decline in beer consumption of 7.9% in New York during the first year of the Bottle Bill, but study has concluded that sharp price increases by the beer companies undoubtedly played a large part in consumption decline, and most of the price increase cannot be attributed to net cost changes under the Bottle Bill. (See Rockefeller Report p.53 and attached NY Times)

An Oregon study examined the Bottle Bill's impact on beer and soft drink sales and came to the following conclusions:

"It can thus be stated that the Bottle Bill does not appear to have had any appreciable effect on beer sales in Oregon except that caused by reduction in average container size during 1973."

"The ADS2 report detailed a shift from canning operations to franchised bottlers between 1972 and 1973. It concluded that there was probably no net change in packaged soft drink sales between the two years."

(See Oregon's Bottle Bill: "Two Years Later," 1975)

What is important to note here is that the first year implementation of the Bottle Bill may have some impact on beverage sales if one extrapolates from New York data, but this decrease is short lived. The bottom line is that there is no data to support the notion that beverage sales would drop 10% in New Jersey. We would predict that under the worst case scenario first year implementation of the Bottle Bill might result in 2.0% absolute decline in soft drink sales and a 4.0% absolute decline in beer sales, but would not anticipate that this would necessarily be the case.

## II. SUPPORT DATA FOR OUR COST ESTIMATES

Our basic finding is that the bottom line costs are about equal to the handling fee placed on beverage containers. In this case, the cost is 3 cents per container.

### [1] RETAILERS:

Retailers incur costs because they must sort, store, and account for redeemed beverage containers. A three cent handling fee should in most cases offset these costs. We feel the cost to retailers is about 2.8 cents per container. This cost corresponds with research conducted by the Food Marketing Institute.

There would also be additional one-time costs for capital investments at retail locations which needed to make create redemption areas.

### [2] DISTRIBUTORS AND BOTTLERS:

Distributors and bottlers incur positive and negative costs from the bottle bill. There costs result from the following.

Costs:

Handling costs  
Handling fees

Revenues:

Retained Deposits  
Recycling Income  
Deposit Interest

When these five factors are considered together, the overall impacts on bottlers are nominal. Consider the following conclusion:

"Upstate soft drink bottlers' costs under the RBCL (Bottle Bill) were partly, but not completely, offset by retained deposits and recycling interest income. Downstate bottlers overall "broke even" when retained deposits and recycling and interests income are subtracted from their first year costs." (Rockefeller, 1983 p.38)

"For beer distributors throughout the State, in the first year of the RBCL, annualized, handling costs and handling fee payments exceeded retained deposits, recycling income, and interest on held deposits by around 1.8 cents per container." (Rockefeller, 1983 p.38)

Based on our analysis, we would conclude that the additional costs to the consumer would under the worst case be roughly equal to the 3 cent handling fee. Over time distributors and bottlers would realize additional income from retained deposits and interest on funds held. This additional income could potentially be passed on to the consumer through lower costs.

Consider that a Michigan Department of Natural Resources study estimates distributors' costs of complying with the state's deposit law in 1988 was \$70 million and revenues for unclaimed deposits totaled between \$113 million and \$118 million. These data are significant because they imply a net gain to distributors of between \$43 million and \$48 million.

We believe the Michigan data are significant because they point out that over time distributors will actually benefit from income generated from deposit laws. The beverage industry has been reluctant to reveal the financial benefits of the Bottle Bill over time. They emphasize start up costs, but fail to account for the long term benefits.

Governor Cuomo of New York charged a Moreland Act Commission to investigate the effectiveness of the NY Bottle Bill. Part of the Commission's mandate was to determine the cost of compliance with the Bottle Bill. In 1990, the Commission attempted to determine industry costs of compliance by doing a through financial review of the law. The reported concluded:

"Despite repeated promises to cooperate, both the soft drink and beer industries systematically failed to provide usable data. Moreover, neither the soft drink industry nor the beer industry would permit Peat Marwick (Representing the Commission) to apply the procedures it deemed necessary to evaluate the data that was supplied."

"Because of the beer and soft drink industries' failure to cooperate, the Peat Marwick and the Commission have no reasonable basis on which to determine the net cost of compliance with the Act (Bottle Bill)"

148X

[3] LOCAL GOVERNMENTS

Any consideration of the fiscal impact of a Bottle Bill should take into account avoided costs to local governments. A combined Bottle Bill and curbside program can divert a greater amount of material from landfills and incinerators which will save a community in avoided tipping fees.

While New Jersey has attained commendably high recycling rates, one must be careful to consider what is being recycled. The level of residential recycling in New Jersey is around 25%.

We submit that the Bottle Bill would serve to increase the total residential recycling in New Jersey 4-7% with no additional cost incurred by state or municipal governments. If a local government did not want to collect additional materials, they could put fewer trucks on the road which would still result in cost savings.

If the program decided to collect additional materials, we believe that the savings would be roughly equal to the avoided disposal costs of disposing of 5.5% of residential municipal solid waste.

Based on statewide generation of waste we project that the Bottle Bill would result in a diversion of an additional 392,260 tons of municipal solid waste a year. Assuming it costs \$100 ton to dispose of garbage, a Bottle could result in a net savings of up to \$39 million.

Additional costs for soft drinks:	+39,000,000
Additional costs for beer:	+40,000,000
Avoided costs for local governments:	-39,000,000
-----	
	+40,000,000

# Newark

Sharpe James  
Mayor

Department of Engineering

Alvin L. Zach P.E., L.S.  
Director

920 Broad Street,  
Newark, New Jersey 07102  
(201) 733-8520

September 25, 1991

Mary Jane Zimpleman  
Legislative Services (Hearing Officer)  
Hearing Unit  
Office of Legislative Services  
162 W.State Street  
Trenton, New Jersey 08625

Re: Bottle Bill Hearing

Dear Ms. Zimpleman:

As a follow up to our conversation, attached hereto please find a copy of the industry projections for cumulative discretionary funds available from unredeemed deposits, which could be captured and utilized by the State of New Jersey, if the State adopts beverage container deposit legislation.

Please note that with New Jersey's population of 7,730,188, utilizing a per capita consumption of 494 beverage containers per year, with a 90% overall redemption rate, by year five, will in five years generate a cumulative fund of \$391,239,703. These figures do not include wine and liquor containers. The projections in the attachment were made by ENVIPCO.

Additionally, I am attaching a self explanatory letter, from Mayor James to Chairman McEnroe, for your information and use.

Very truly yours,



Frank J. Sudol, Manager  
Division of Engineering & Contracts Administration

FJS/crc

cc: Assembly of Waste Management, Planning and Recycling Committee

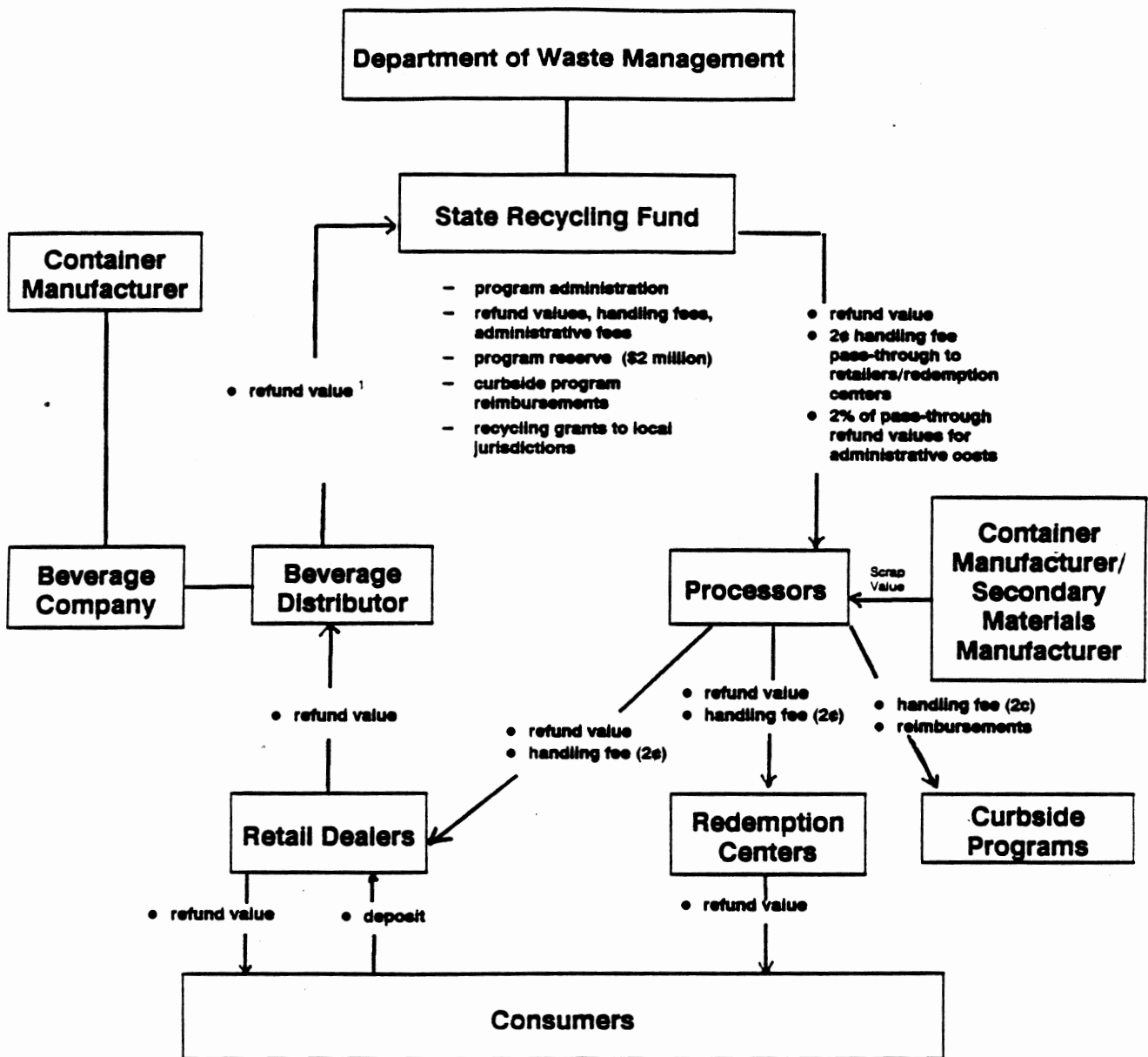
15X

NEW JERSEY'S BEVERAGE CONTAINER RECYCLING SYSTEM  
Source and Use of Funds Projection  
7,730,188 Population and Using U.S. Average Container Consumption of 494/person.

	Year #1	Year #2	Year #3	Year #4	Year #5
Overall Redemption Rate	70%	75%	80%	85%	90%
Redemption Rate thru Centers/Retail 75%	53%	56%	60%	64%	68%
<b>MONIES PAID IN TO FUND:</b>					
-----					
- Deposits:					
Cans           2,596,724,753 at \$0.10	\$259,672,475	\$259,672,475	\$259,672,475	\$259,672,475	\$259,672,475
Glass:           840,116,832 at \$0.10	84,011,683	84,011,683	84,011,683	84,011,683	84,011,683
Plastic         381,871,287 at 0.10	38,187,129	38,187,129	38,187,129	38,187,129	38,187,129
-----	-----	-----	-----	-----	-----
Total           3,818,712,872	381,871,287	381,871,287	381,871,287	381,871,287	381,871,287
- Less Distributor 1% Administrative Fees:	(3,818,713)	(3,818,713)	(3,818,713)	(3,818,713)	(3,818,713)
-----					
<b>TOTAL MONIES PAID IN TO FUND</b>	<b>378,052,574</b>	<b>378,052,574</b>	<b>378,052,574</b>	<b>378,052,574</b>	<b>378,052,574</b>
-----					
<b>MONIES PAID OUT OF FUND:</b>					
-----					
- Operating, Admin., & Start-Up Costs	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
- Deposits:					
Retailer/Redemption Centers at \$ 0.10	200,482,426	214,802,599	229,122,772	243,442,946	257,763,119
- Handling Fees:					
Sum of Containers Redeemed					
By all Methods Times         \$0.02	53,461,980	57,280,693	61,099,406	64,918,119	68,736,832
- Administrative Fees:					
Processors (2% of Deposits Paid-Out)	4,009,649	4,296,052	4,582,455	4,868,859	5,155,262
-----					
<b>TOTAL MONIES PAID OUT OF FUND</b>	<b>262,954,055</b>	<b>281,379,344</b>	<b>299,804,634</b>	<b>318,229,923</b>	<b>336,655,213</b>
-----					
<b>DISCRETIONARY FUNDS AVAILABLE PER YEAR</b>	<b>\$115,098,520</b>	<b>\$96,673,230</b>	<b>\$78,247,941</b>	<b>\$59,822,651</b>	<b>\$41,397,361</b>
-----					
<b>CUMULATIVE DISCRETIONARY FUNDS AVAILABLE</b>	<b>\$115,098,520</b>	<b>\$211,771,750</b>	<b>\$290,019,691</b>	<b>\$349,842,342</b>	<b>\$391,239,703</b>
-----					
<b>CUMULATIVE PER CAPITA DISCRETIONARY FUNDS</b>	<b>\$14.89</b>	<b>\$27.40</b>	<b>\$37.52</b>	<b>\$45.26</b>	<b>\$50.61</b>

**151X**

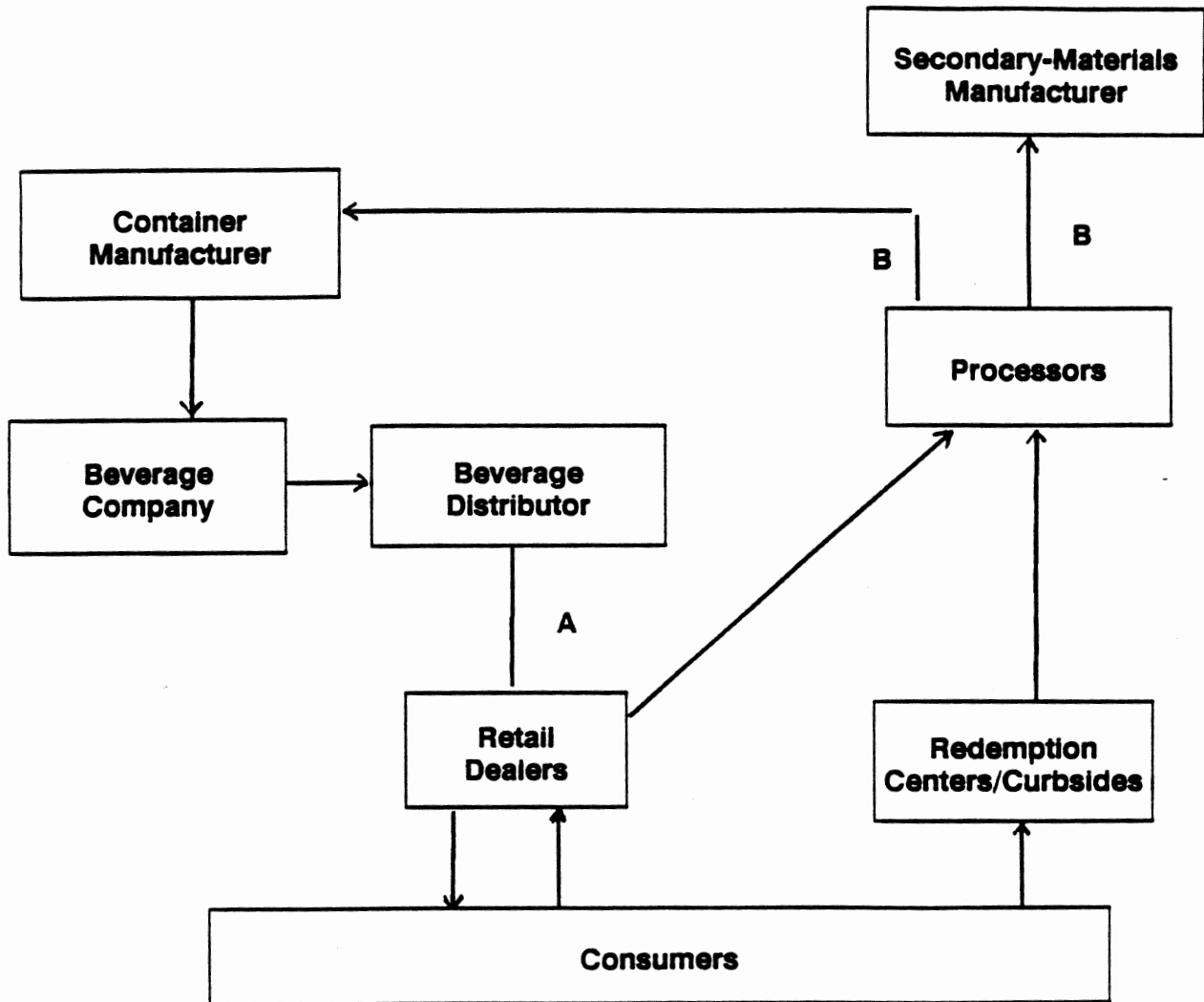
# BEVERAGE CONTAINER RECYCLING ACT (dollar flow)



<sup>1</sup> 10¢ per container, with 1% discount to beverage distributor to cover administrative costs

152X

# BEVERAGE CONTAINER RECYCLING ACT (container flow)



A = Total number of beverage containers introduced into the environment, by type of materials

B = Total number of containers, by type of materials, purchased for reuse by container manufacturers or for recycling by secondary materials manufacturers

$$\text{Recycling Rate} = \frac{B}{A}$$

153X



**SHARPE JAMES**  
MAYOR  
NEWARK, NEW JERSEY  
07102

September 27, 1991

Honorable Harry McEnroe  
Assemblyman - 27th District  
Chairman - Waste Management,  
Planning & Recycling Committee  
15 Village Plaza, Suite 1C  
South Orange, New Jersey 07079

Dear Assemblyman McEnroe:

Transmitted herewith please find a corrected copy of my statement, which was presented before the Assembly Waste Management, Planning and Recycling Committee on September 23, 1991, as read into the record by Mr. Sudol, Manager, Newark Division of Engineering and Contract Administration.

I would appreciate your utilizing this corrected copy for attachment to the official record of proceedings.

If you should have any questions or need any additional information please feel free to call me at your earliest possible convenience.

Sincerely yours,

*Sharpe*  
Sharpe James  
Mayor

SJ/cmc

154X

STATEMENT BY HONORABLE SHARPE JAMES, MAYOR  
CITY OF NEWARK BEFORE THE NEW JERSEY ASSEMBLY  
WASTE MANAGEMENT, PLANNING AND RECYCLING  
COMMITTEE IN SUPPORT OF  
THE PROPOSED BEVERAGE CONTAINER DEPOSIT BILL  
SEPTEMBER 23, 1991

COMMITTEE CHAIRMAN MCENROE AND MEMBERS OF THE ASSEMBLY WASTE MANAGEMENT,  
PLANNING AND RECYCLING COMMITTEE:

I CAN THINK OF NO PROBLEM IN THE CITY OF NEWARK THAT GIVES ME MORE DISTRESS ON A  
CONTINUING DAY-TO-DAY BASIS THAN THAT OF THE LITTER, WHICH BLIGHTS OUR STREETS,  
PARKS, BUSINESS PROPERTIES AND OPEN SPACES. MISCELLANEOUS JUNK, PLASTICS, BEVER-  
AGE CANS AND BOTTLES, AND WORST OF ALL, BROKEN GLASS KEEPS US FROM HAVING THE  
KIND OF BEAUTY AND PRIDE THAT OUR CITY NEEDS TO MAKE PEOPLE GLAD TO VISIT AND LIVE  
HERE AND BUSINESSES EAGER TO LOCATE HERE.

TO BE SURE, WE HAVE DILIGENTLY TRIED IN THE LAST FEW YEARS TO COMBAT THE LITTER  
PROBLEM AND HAVE TAKEN SIGNIFICANT STEPS FORWARD. OUR IMPROVEMENTS INCLUDE  
NEW STREET SWEEPING PROGRAM, THAT HAS BEEN EXTREMELY SUCCESSFUL. SO HAS OUR  
WORKING INMATE PROGRAM FOR LOT CLEANUP AND OUR VIGOROUS ENFORCEMENT OF  
ANTI-DUMPING LAWS. YET AS I TRAVEL AROUND THE CITY - EVEN WITHIN A FEW BLOCKS OF  
CITY HALL - MY EYES TELL ME THAT MUCH MUCH MORE NEEDS TO BE DONE. I AM SURE  
EVERYONE OF US FEELS THIS IS TRUE.

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THE CLEAN COMMUNITIES ALTERNATIVE TO A BOTTLE BILL, OFFERED BY THE INDUSTRY, IN NEW JERSEY HAS BEEN A FAILURE. FIRST, THERE IS SUBSTANTIALLY LESS MONEY THAN ORIGINALLY ANTICIPATED ACCRUING INTO THE STATE'S ANTI-LITTER FUND FROM THE LITTER TAX, WHICH WAS ADOPTED INTO LAW WITH PASSAGE OF THE CLEAN COMMUNITIES ACT. INDUSTRY REPRESENTATIVES PROJECTED THAT THE TAX, WHICH THEY LOBBIED FOR IN PLACE OF THE BEVERAGE CONTAINER DEPOSIT LEGISLATION, WOULD GENERATE APPROXIMATELY \$10-15 MILLION. ALMOST FIVE YEARS AFTER ITS ENACTMENT, THE STATEWIDE LITTER TAX IS GENERATING ONLY \$7 MILLION A YEAR, ABOUT HALF THE OPTIMISTIC PREDICTIONS MADE BY THOSE WHO HAD TOUTED IT AS A COMPREHENSIVE PLAN FOR CLEANING UP DEBRIS ON NEW JERSEY'S ROADS AND PARKS.

APPROXIMATELY 558 MUNICIPALITIES ARE ELIGIBLE TO RECEIVE CLEAN COMMUNITIES GRANTS. BECAUSE OF THE LARGE NUMBER OF ELIGIBLE JURISDICTIONS AND BECAUSE OF THE UNACCEPTABLE LEVEL OF FUNDING AVAILABLE, THE CLEAN COMMUNITIES ACT IS CLEARLY NOT A COMPREHENSIVE PLAN FOR LITTER CONTROL THE WAY IT IS STRUCTURED.

ANOTHER, EVEN MORE SIGNIFICANT PROBLEM, IS THAT WHEN THE CLEAN COMMUNITIES ACT WAS APPROVED IN 1986, DISPOSAL COST WAS APPROXIMATELY \$25 PER TON. TODAY DISPOSAL COST IS OVER \$100 PER TON, OR ABOUT FOUR TIMES MORE EXPENSIVE THAN IT WAS WHEN THE BILL WAS FIRST SIGNED INTO LAW. YET, THERE HAS BEEN NO INCREASE IN THE AMOUNT OF REVENUE. THIS HAS RESULTED IN CONTINUATION OF A PROGRAM WITH ONLY ABOUT ONE-QUARTER OF THE EFFECTIVENESS OF THE PROGRAM FIRST ENACTED.

STATE OF NEW JERSEY CLEAN COMMUNITIES ACT MONIES EARMARKED FOR THE CITY OF NEWARK ARE WELCOME BUT REPRESENT ONLY A SMALL PORTION OF THE TOTAL CLEAN-UP

COST AND DO NOT HAVE A SIGNIFICANT ROLE IN THE CITY'S OVERALL LITTER ABATEMENT AND CLEANUP PLAN. IN FACT, WHILE NEWARK IS THE LARGEST GRANT RECIPIENT IN THE STATE, THE GRANT OF ABOUT \$200,000 IS EQUAL TO LESS THAN 3% OF NEWARK'S EXPENDITURE FOR ONLY ITS VACANT LOT CLEAN-UP PROGRAM. NEWARK, ESTIMATES, IT SPENDS APPROXIMATELY **\$3 MILLION** ANNUALLY ON LITTER COLLECTION.

DEPOSIT SYSTEMS PROVIDE AN ECONOMIC INCENTIVE FOR PEOPLE TO AVOID LITTERING AND ALSO TO PICKUP BEVERAGE CONTAINERS. THIS PROGRAM REDUCES BOTH BOTTLE AND CAN LITTER AND INJURIES RESULTING FROM BROKEN BOTTLES. REMOVING THESE CONTAINERS SIGNIFICANTLY CONTRIBUTES TO BEAUTIFYING OUR CITY, REDUCING LITTER PICKUP AND DISPOSAL COSTS AND MAKING OUR PARKS AND PLAYGROUNDS SAFER FOR OUR CHILDREN.

THIS IS ONE OF THE REASONS WHY I AM URGING YOUR SUPPORT FOR THE ADOPTION OF A BEVERAGE CONTAINER DEPOSIT BILL, OR "BOTTLE BILL" TO REQUIRE A REFUND VALUE ON ALL BEVERAGE CONTAINERS SOLD IN NEW JERSEY.

TEN STATES REPRESENTING 30% OF THE POPULATION OF THE UNITED STATES HAVE ADOPTED BOTTLE BILLS INCLUDING: NEW YORK, CONNECTICUT AND MASSACHUSETTS. THE RESULTS HAVE BEEN TRULY WORTHWHILE IN REDUCING BOTH LITTER AND SOLID WASTE. INSTEAD OF THROWING AWAY USED CONTAINERS, CONSUMERS RETURN THEM TO STORES OR REDEMPTION CENTERS FOR THE REFUNDS. BOTTLES AND CANS THAT DO GET LITTERED, SOON GET PICKED UP BY OUR YOUTH OR OTHERS FOR REFUNDS.

I AM SURE YOU REMEMBER, AS I DO, HOW AS CHILDREN WE USED TO ROUND UP ALL THE SODA BOTTLES WE COULD FIND AND TAKE THEM BACK TO THE STORE IN OUR CARTS AND WAGONS

FOR TWO CENTS EACH. THE SAME SORT OF INCENTIVE WILL REAPPLY TODAY FOR CHILDREN AND ADULTS ALIKE WITH TEN CENT REFUND VALUES TO KEEP GLASS, METAL AND PLASTIC BEVERAGE CONTAINERS OFF OUR LANDS AND OUT OF OUR SOLID WASTE STREAM.

THE CITY OF NEWARK PRIDES ITSELF ON ITS TREMENDOUSLY SUCCESSFUL AND COST EFFECTIVE RECYCLING PROGRAM. NEWARK HAS EXCEEDED A **52% RECYCLING RATE OF ITS SOLID WASTE AND HAS JUST RECEIVED AN AWARD FROM THE U.S. ENVIRONMENTAL PROTECTION AGENCY RECOGNIZING NEWARK'S RECYCLING PROGRAM AS THE MOST OUTSTANDING LOCAL PROGRAM IN THE NATION.** TODAY'S PROPOSED LEGISLATION WILL GREATLY ASSIST NEW JERSEY MUNICIPALITIES TO REACH NEW JERSEY'S HIGH GOAL OF RECYCLING A MINIMUM OF 60% OF ITS MUNICIPAL SOLID WASTE.

WITHOUT A "BOTTLE BILL," IT WILL BE NEARLY IMPOSSIBLE TO MEET THE GOAL FOR RECYCLING BEVERAGE CONTAINER MATERIAL SPECIFIED BY GOVERNOR FLORIO'S EMERGENCY SOLID WASTE REASSESSMENT TASK FORCE (COPY PAGE 28 ATTACHED). THE REPORT CALLS FOR A 60% RECOVERY OF PLASTIC CONTAINERS, 90% RECOVERY OF GLASS AND ALUMINUM CONTAINERS, AND 85% OF ITS BI-METAL CANS. THESE HIGH RATES OF RECYCLING CANNOT BE ACHIEVED WITHOUT A BOTTLE BILL.

ON THE OTHER HAND, A BOTTLE BILL, IF PASSED WILL PROVIDE RESIDENTS OF NEW JERSEY WITH AN ECONOMIC INCENTIVE TO RECYCLE AND THEREFORE RAISE RECYCLING RATES DRAMATICALLY. FOR EXAMPLE, LESS THAN 2% OF NEW JERSEY'S PLASTIC IS RECYCLED, DESPITE THE FACT THAT NEW JERSEY IS ACCLAIMED FOR ITS STATEWIDE MANDATORY RECYCLING LAW. STATES WITH A BOTTLE BILL, SUCH AS NEW YORK, ARE RECYCLING OVER 60% OF

THEIR PLASTIC. THESE STATES ARE ALSO RECYCLING OVER 85% OF THEIR GLASS, AS OPPOSED TO ONLY 53% IN NEW JERSEY.

ONE STATISTIC, WHICH MAY BE OF INTEREST TO COMMITTEE MEMBERS, IS THAT MORE THAN 95% OF ALL PLASTIC COLLECTED AND RECYCLED IN THE U.S. ORIGINATES FROM THE 10 STATES WITH BOTTLE BILLS.

SOME ARGUE THAT THE "BOTTLE BILL" WOULD BE DISRUPTIVE TO RECYCLING. IT IS NOT. DEPOSIT SYSTEMS IN COMBINATION WITH CURBSIDE PROGRAMS CAN REMOVE BETWEEN 16 AND 35% MORE FROM THE WASTE STREAM THAN A CURBSIDE PROGRAM ALONE, ACCORDING TO A 1989 STUDY PERFORMED BY FRANKLIN AND ASSOCIATES.

CURBSIDE COLLECTION PROGRAMS ARE DIFFICULT AND EXPENSIVE IN OUR MUNICIPALITIES. FOR EXAMPLE, NEWARK SPENDS OVER \$18 MILLION PER YEAR FOR SOLID WASTE AND RECYCLING COLLECTION ALONE. A BOTTLE BILL WOULD REDUCE SOLID WASTE AND RECYCLING COLLECTION COST BY ABOUT 8%. HENCE, A BOTTLE BILL WOULD SAVE NEWARK - A CITY WITH A POPULATION OF APPROXIMATELY 275,000 - ALMOST \$1.5 MILLION PER YEAR. THIS DOES NOT EVEN TAKE INTO CONSIDERATION DISPOSAL COST OR THE COST OF LITTER REMOVAL.

JUDGING BY RESULTS IN OTHER STATES, SUCH A LAW WILL NOT ONLY ELIMINATE 90% OF BOTTLE AND CAN LITTER BUT WILL REDUCE OUR MUNICIPAL SOLID WASTE BY ABOUT 8%. THIS WOULD MEAN A SAVINGS IN SOLID WASTE DISPOSAL COSTS OF OVER TWO MILLION DOLLARS PER YEAR JUST FOR THE CITY OF NEWARK.

FURTHER, SUCH A BILL COULD BE DESIGNED TO PROVIDE ACTUAL REVENUE TO THE STATE. HUNDREDS OF MILLIONS OF DOLLARS CAN BE COLLECTED FROM UNREDEEMED DEPOSITS.

DEPOSIT SYSTEMS SHIFT THE COSTS OF LITTER, COLLECTION AND DISPOSAL, BY REMOVING THE BURDEN FROM MUNICIPALITIES TO THOSE WHO PRODUCE AND PURCHASE THE PRODUCTS THAT END UP IN OUR WASTE STREAM.

IF THE BOTTLE BILL CAN WORK IN NEW YORK CITY, IT CAN WORK IN NEW JERSEY'S MUNICIPALITIES. QUOTING FORMER MAYOR KOCH, JUST ONE YEAR AFTER ADOPTION OF THE NEW YORK STATE "BOTTLE BILL," "THE CITY IS CLEANER AND, THE SURVEYS SHOW, PEOPLE HAVE NOTICED THE IMPROVEMENT." "MY PARKS AND BEACH SUPERVISORS REPORT THAT THERE HAS BEEN A DRAMATIC IMPROVEMENT IN PARK CLEANLINESS IN THE LAST YEAR. THERE IS ALSO MUCH LESS DANGEROUS BROKEN GLASS."

I AM ATTACHING, FOR YOUR INFORMATION, A BRIEF FACT-SHEET WHICH DETAILS THE REASONS WHY WE NEED TO AGGRESSIVELY SUPPORT ADOPTION OF A BEVERAGE CONTAINER LAW.

I RESPECTFULLY URGE THAT WE IN NEW JERSEY, WHO NEED THE BENEFITS SO BADLY, TAKE THE LEADERSHIP INITIATIVE AND PASS THIS PROPOSED LEGISLATION. WE NEED TO DO THE RIGHT THING, IN THE RIGHT WAY.

THANK YOU.

SEPTEMBER 23, 1991

TESTIMONY BEFORE THE NEW JERSEY ASSEMBLY COMMITTEE ON WASTE MANAGEMENT PLANNING AND RECYCLING

Submitted by Pat Franklin, Executive Director of the Container Recycling Institute

Good morning Mr. Chairman and members of the committee. My name is Pat Franklin. I am Executive Director of the Container Recycling Institute, a non-profit, research and public education organization located in Washington, D.C. CRI studies container and recycling options, and has done considerable research on the economic impact of beverage container deposit systems on other comprehensive recycling efforts.

It is worthwhile, I think, to examine some of the reasons for targeting beverage containers for waste reduction and recycling. For the purposes of this testimony beverage containers will include only beer and soft drink cans and bottles although BCDL can and in some states does include wine, liquor and or juice containers as well.

These containers are singled out over other cans and bottles, because there are some significant differences between beer and soda containers and mayonnaise jars, shampoo bottles or tuna fish cans. For example,

- 1) beer and soda containers hold a nonessential, non-food product;
- 3) beer and soft drink containers are almost exclusively single serve containers;
- 4) beer and soft drink containers are worth far more than the product they hold;
- 5) beer and soft drink containers can be packaged in refillable bottles that can be used many times;
- 6) the estimated 7.4 million beer and soda containers (2% of containers sold) that are littered each year in the Garden State are a source of visual pollution, a safety hazard and costly to New Jersey's taxpayers.

TABLE 1. COST OF REMOVING RECYCLABLES FROM THE WASTE STREAM WITH AND WITHOUT BCDL - THREE SCENARIOS

A. THE 1,769 TONS OF DEPOSIT CONTAINERS REMOVED THROUGH BCDL ARE NOT TAKEN INTO CONSIDERATION

	TONS REMOVED VIA CURBSIDE	TONS REMOVED VIA BCDL	TOTAL TONS REMOVED	TOTAL COST TO MUNICIPALITY	COST PER TON REMOVED
With BCDL	8,844	0	8,844	\$ 1,284,565	\$145
Without BCDL	10,601	0	10,601	\$ 1,235,199	\$117

B. THE 1,769 TONS OF DEPOSIT CONTAINERS REMOVED THROUGH BCDL ARE TAKEN INTO CONSIDERATION

	TONS REMOVED VIA CURBSIDE	TONS REMOVED VIA BCDL	TOTAL TONS REMOVED	TOTAL COST TO MUNICIPALITY	COST PER TON REMOVED
With BCDL	8,844	1,769	10,601	\$ 1,284,565	\$121
Without BCDL	10,601	0	10,601	\$ 1,235,199	\$117

C. THE 25% OF DEPOSIT CONTAINERS CONSUMED AWAY FROM HOME ARE DEDUCTED FROM THE TONS REMOVED VIA CURBSIDE

	TONS REMOVED VIA CURBSIDE	TONS REMOVED VIA BCDL	TOTAL TONS REMOVED	TOTAL COST TO MUNICIPALITY	COST PER TON REMOVED
With BCDL	8,844--	1,769	10,601	\$ 1,284,565	\$121
Without BCDL (8,844 + 75% of 1,769)	10,170	0	10,170	\$ 1,235,199	\$121

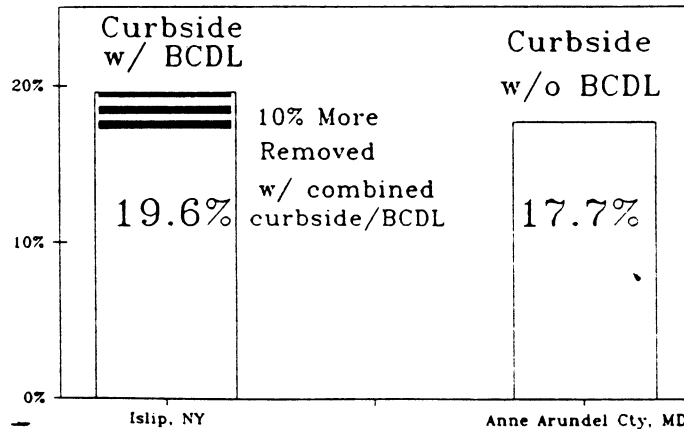
TABLE 2. THE DIFFERENCE IN THE NET PROGRAM COSTS OF THE TWO PROGRAMS -  
A DIFFERENCE OF 2.5%

ISLIP		ANNE ARUNDEL	
\$ 1,299,494	Net Program Cost with BCDL	\$ 491,445	
\$ 1,268,228	Net Program Cost without BCDL	467,015	
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\$ 31,266		\$ 24,430	

THE BOTTOM LINE - WHICH PROGRAM IS REMOVING THE MOST FROM THE WASTE STREAM, CURBSIDE WITH BCDL OR CURBSIDE WITHOUT BCDL?

The bottom line in this study, is the one undeniable truth which is revealed on page I-1. The existing curbside recycling program with BCDL in Islip, New York is removing 10% more from the waste stream than the existing curbside recycling program without BCDL in Anne Arundel County, Maryland. In fact, because Islip's program includes mixed paper, the actual residential recycling rate in Islip is 21.5 percent, or 20% more than the residential recycling rate in Anne Arundel County.

PERCENT OF WASTE STREAM REMOVED IN  
TWO COMMUNITIES



When the disposal/recycling costs of beverage containers are internalized through a deposit system, the burden for collection and processing is shifted from local government to the manufacturers, distributors, retailers and consumers. It is sometimes referred to as the "polluter pays principle".

Mr. Chairman, members of the committee, it is not a question of which recycling mechanism is best--deposits or curbside recycling. An integrated system of BCDL and curbside recycling is a cost effective means of maximizing waste reduction and minimizing costs. A dual system is working in ten states, and it can work in New Jersey.

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## THE GREAT REVENUE MYTH

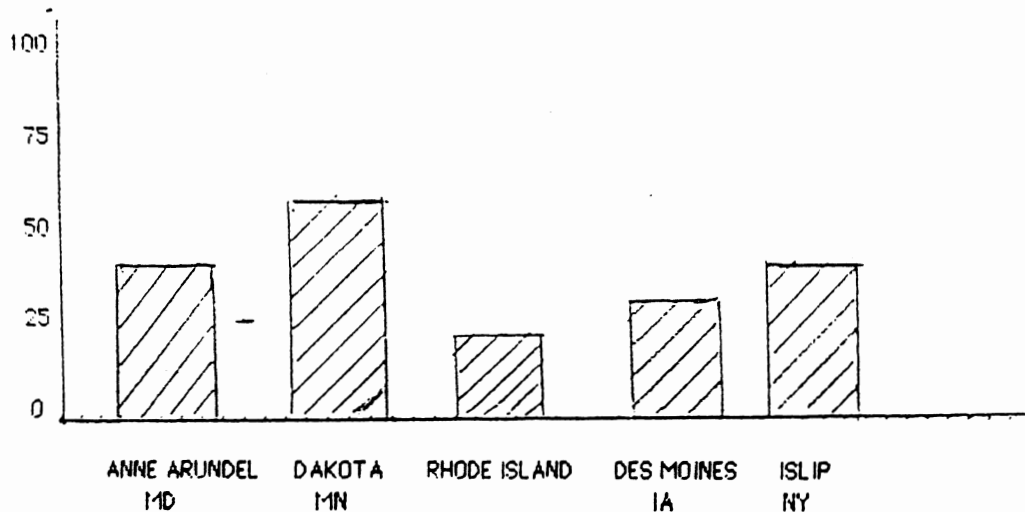
**THE MYTH:** When glass, PET plastic and aluminum beverage containers are removed from curbside recycling programs, the revenue used to offset the costs of the program are reduced and the program's economic viability is destroyed. This myth is perpetuated by the beverage and packaging industries, and many individuals in the field of solid waste management believe it too. The fact is that both glass and PET plastic cost more to collect than they generate in revenues.

**GLASS:** Glass is NOT a net revenue producer. The price for glass is far less than the revenue generated by the sale of the scrap collected in the curbside program. In Rhode Island, where there is a statewide curbside recycling program, the cost of collection alone for glass, is three times the amount of revenue generated by that material. An Associated Press story last week reported that half of all the glass collected in the curbside program in Miami, Florida is being landfilled. In fact, almost half of all the glass collected in Rhode Island is also being landfilled. When this happens, taxpayers end up paying twice--once to have the material collected through an expensive curbside recycling program, and again to have it landfilled or burned. With a deposit system, most of the glass generated by a community is removed from the waste stream at no cost to government.

**PET PLASTIC:** PET Plastic is not a net revenue producer. At a Plastics Industry Conference in May, Jane Witheridge, an executive with Waste Management, Inc., stated that "plastics account for a 35% decrease in efficiency" in curbside recycling programs, and that collection costs for that material range from \$100 to \$500 per ton. The price for PET plastic is currently about \$120 per ton.

**ALUMINUM:** Aluminum is a net revenue producer, both because of its high weight to volume ratio and because of its high scrap value. However, BCDL does not necessarily remove all of the available used aluminum beverage containers from the curbside program. In fact, a report conducted for the Aluminum Association by Gershman, Brickner and Bratton (GBB) found that curbside programs in deposit states are collecting substantial amounts of used aluminum beverage containers in their curbside programs. (SEE GRAPH)

PERCENT OF ALUMINUM BEVERAGE CONTAINERS IN CURBSIDE PROGRAM



CONTAINER RECYCLING INSTITUTE  
710 G STREET, SE  
WASHINGTON, DC 20003

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PREPARED REMARKS  
OF  
DAVID F. DUNNING  
MANAGING DIRECTOR  
SOUTHEASTERN PLASTIC INDUSTRY RECYCLING ALLIANCE  
SEPTEMBER 23, 1991

Chairman McEnroe and members of the committee this submitted written testimony speaks for a number of industries presently using recycled materials in a number of products and exemplifies the need for more comprehensive plastic recycling programs. Our Alliance, only two years old, represents companies not only in the Southeast, but in the Midwest and other parts of the country as well.

We believe the plastic recycling business to be a growth industry. Presently there is an increasing demand as markets develop for recycled plastic products but supply is constricted. New technology enables manufacturers to transform old plastic bottles into new ones at a price equal to, or in many cases, lower than making them from a raw source. There is an estimated 14 million tons of plastic bottles discarded yearly and only one percent is recycled. Despite this, the small percentage is being usurped by our industry and demand is ever increasing.

In our view, recycling should be a positive force. It should lower costs of materials and energy for manufacturers, thereby making this nations products more competitive in the international market place. Today, this industry uses 131 million dollars worth of materials in application markets for recycled plastics. These applications include textile fibers, such as carpet, extruded film which is

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Accounting Office with statistical information that up to 98% of their supply comes from states in which bottle deposit laws are in place. These ten states in which thirty percent of the population is centered supply roughly 98% of the plastic, two-thirds of the glass and 40% of the recycled aluminum material to our industry. Our view Mr. Chairman is quite clear: deposit laws do work.

Last week, The Environmental Protection Agency presented testimony before the Senate Subcommittee on Environmental Protection on a vital piece of legislation: the Resource Conservation Recovery Act (RCRA). When passed, this legislation will set policy on solid hazardous waste for many years to come. The administration of the E.P.A. warned Congress against "nationalizing the garbage problem." That is, leave it to the states and local governments to each come up with their individual solid waste plans based on their individual needs. Our view of this issue is that Congress will provide some regulatory/legislative guidance, but in the end it will be under state and local jurisdiction.

New Jersey has set one of the most ambitious waste reduction goals of any state in the nation, a fact that should be applauded. In my own state of Georgia, our legislature set a five year goal of only 25% of our 182 licensed landfills would be closer or to capacity in five years.

From purely a business standpoint, all of our companies are concerned with the environment, but we are in business to provide jobs and make a profit. We cannot depend on only one form of collection to gather valuable recyclable materials for

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used in the production of blow molded bottles, wood substitutes and injection molded products such as drain pipes just to name a few.

As you may be aware, the Southeast United States is home to mills which produce 75 to 80 percent of the worlds carpet. Some of these mills are currently using technology whereby one mill alone is using 30 to 35 million pounds of recycled P.E.T. soda bottles per year. Plainly translated: exactly 36, 2 liter bottles make about one square yard of carpet. The process in brief, is as follows. Bottles are reduced to uncontaminated flake and heated under pressure. After the mass is molted, it is then forced through a micro mesh screening process which produces thin, hair-like fibers. The fibers are then cut into 7-inch lengths and spun into carpet yarn.

The manufacturing/operations manager of the mill which first started using this process has done extensive research on the after use of plastic bottles and found material suited for all the thresholds of carpet manufacturing. This particular company also looked into the future and saw that our country's landfills would be filling up and that legislation would some day be on the books which would encourage the separation of recyclable materials.

This industry is heavily dependent on a New Jersey based corporation for that supply of recycled plastic. Wellman Corporation, not a member of our organization, is one to the world's largest plastic recyclers and a pioneer in this industry. They have supplied the United States Congress and the General

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after use in additional markets.

In conclusion, if today, in 1991 the industry and waste management business indicates that we are discarding over 14 million tons of plastic and only 1 percent is recycled, I would say that we are failing miserably at recovering a very valuable resource. Our industry and others like ours could use every one of those plastic containers in production of an environmentally sound product.

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