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PUBLIC HEARING

before

ASSEMBLY AGRICULTURE AND ENVIRONMENT COMMITTEE

on

ASSEMBLY BILL 2606

(Requires a 10% Refund Value on Certain Beverage
Containers at the point of distribution)

Held:
February 5, 1985
Room 114
State House Annex
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Robert P. Hollenbeck, Chairman
Assemblyman Thomas A. Pankok

ALSO PRESENT:

Algis Matioska
Office of Legislative Services
Aide, Assembly Agriculture and Environment Committee

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New Jersey State Library

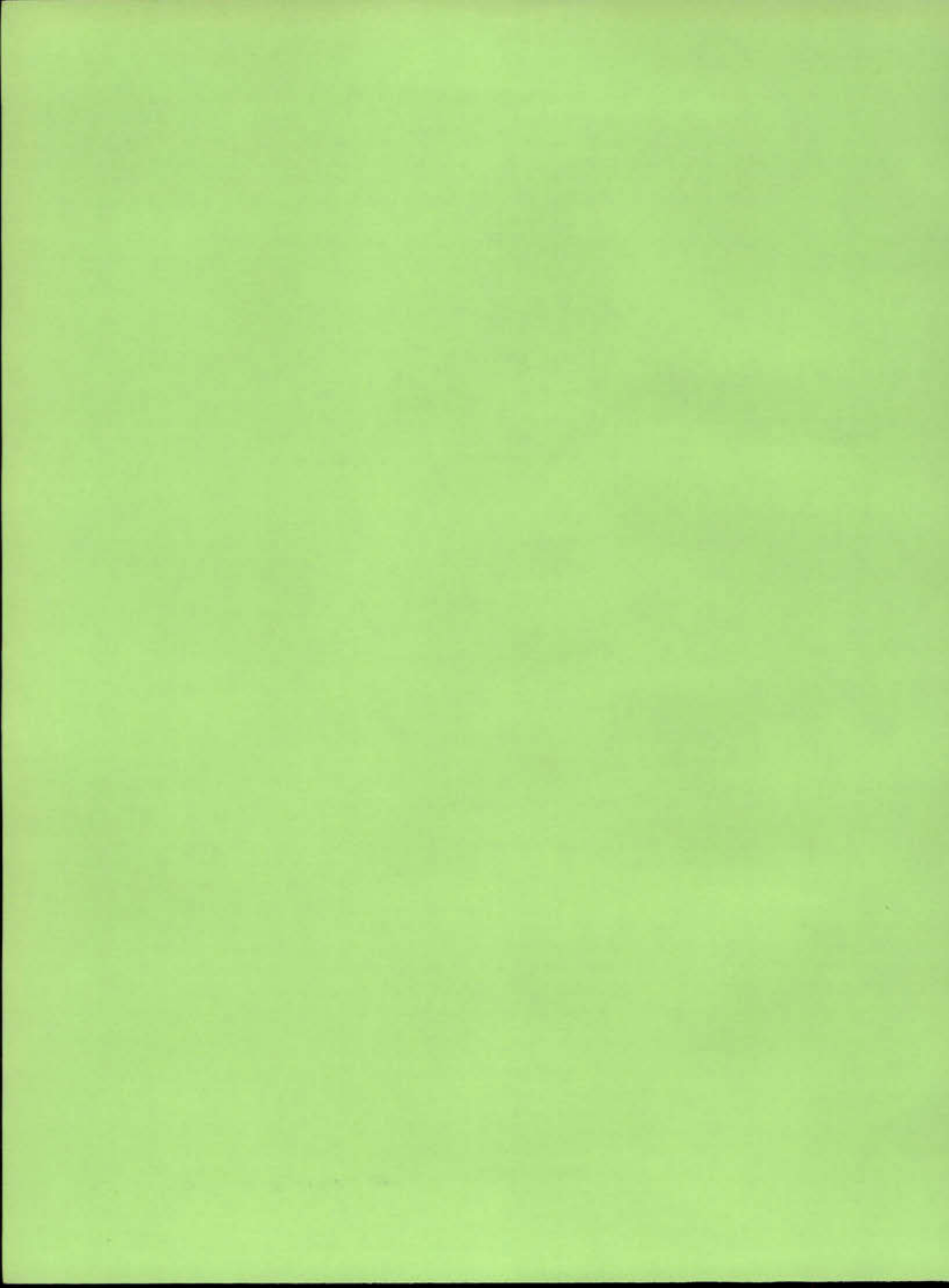


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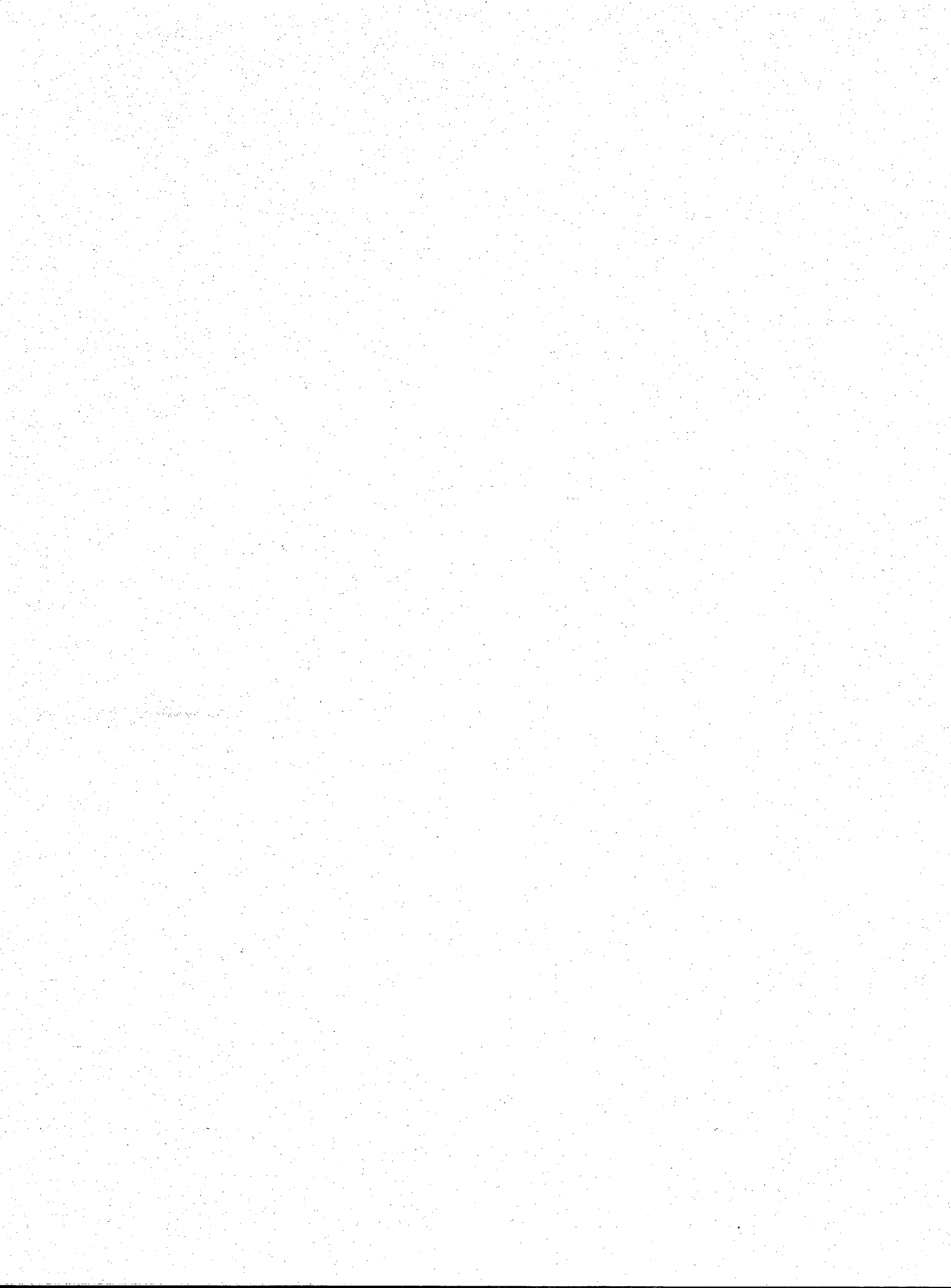
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ASSEMBLY, No. 2606

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 20, 1984

By Assemblyman HOLLENBECK, Assemblywoman FORD, Assemblymen S. ADUBATO, KARCHER, MAZUR, PATERNITI and Assemblywoman PERUN

AN ACT concerning beverage containers, supplementing Title 13 of the Revised Statutes and making an appropriation.

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

1 1. The Legislature finds and declares that glass, metal and plastic
2 beverage containers constitute a significant portion of the solid
3 waste stream disposed of in the State's already overburdened
4 sanitary landfills or irresponsibly discarded as litter along road-
5 sides, on farm properties, in parks, on beaches and throughout the
6 environment; that the removal and reuse or recycling of this
7 component of the waste stream would substantially extend the
8 useful life of the landfills of the State, reduce the safety hazard of
9 broken glass and metal fragments, mitigate the costs to the agri-
10 cultural industry of repairing damaged equipment, livestock losses
11 and lost productive work time, provide a more attractive landscape,
12 and reduce the financial burden on municipalities charged with the
13 responsibility of cleaning up the State's already serious litter
14 problem; that the reuse or recycling of these containers provides
15 an energy efficient and environmentally sound means of achieving
16 these goals; and that it is therefore in the public interest to estab-
17 lish a State program to promote the return and recycling of
18 beverage containers.

1 2. As used in this act:

2 a. "Beverage" means beer or other malt beverages, mineral

3 water, soda water and similar nonalcoholic carbonated drinks
4 intended for human consumption.

5 b. "Beverage container" means an individual, separate, sealed
6 bottle or can having a capacity of not more than five liters, com-
7 posed of glass, metal, plastic or any combination thereof, containing
8 a beverage, and which has been identified by a label, stamp, or other
9 mark pursuant to section 3 of this act;

10 c. "Department" means the Department of Environmental Pro-
11 tection;

12 d. "Distributor" means a person who sells beverages in beverage
13 containers at wholesale to retailers in this State, including any
14 manufacturer who engages in these sales;

15 e. "Manufacturer" means a person bottling, canning or filling
16 beverage containers for sale to distributors or retailers or con-
17 sumers;

18 f. "Recycling" means the process of sorting, cleansing, treating
19 and reconstituting waste and other discarded materials for the
20 purpose of reusing the materials;

21 g. "Redemption center" means a place or a business which accepts
22 empty beverage containers for recycling and pays the refund value
23 of beverage containers;

24 h. "Retailer" means a person engaged in the sale of beverages
25 in beverage containers to any person at retail for off-premise con-
26 sumption, including any manufacturer or distributor engaging
27 in retail sales.

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

3 b. Every beverage container sold or offered for sale in this State
4 by a retailer shall be clearly identified by a stamp, label, or other
5 mark securely affixed to the beverage container, bearing the in-
6 scription "New Jersey" or "N.J." and indicating the refund value.

1 4. a. The refund value shall be paid by the retailer upon presen-
2 tation at any time during business hours, at the retailer's place of
3 business, of an empty beverage container of the kind, size and
4 brand sold or offered for sale at that place of business.

5 b. A distributor shall accept and pick up all beverage containers
6 of the kind, size and brand which the distributor distributes in the
7 distributor's service area returned by any retailer, owner and
8 operator of a redemption center, a person who sells beverages in
9 beverage containers for on-premise consumption, or agents thereof,
10 and pay to that person the refund value established in this act, plus
11 a handling fee of \$0.015 per beverage container.

12 c. If a manufacturer accepts for return a beverage container

13 for which the manufacturer has charged a deposit equal to the
14 refund value established in this section, the manufacturer shall
15 upon return pay the retailer, owner or operator of a redemption
16 center, a person who sells beverages in beverage containers for on-
17 premise consumption, distributor, or agents thereof, that refund
18 value plus a handling fee of \$0.015 per beverage container.

1 5. A retailer, distributor, or manufacturer shall not be required
2 to accept for refund a beverage container which is unclean or con-
3 tains any substance other than dried beverage residue or, in the
4 case of glass beverage containers, a beverage container which is
5 broken, except that dented or flattened. plastic or metal beverage
6 containers or chipped glass beverage containers are acceptable for
7 refund and may not be refused therefor unless they are unusable
8 for recycling purposes or, in the case of refillables, for refilling.

1 6. No beverage container shall be sold or offered for sale in the
2 State in a metal container designed and constructed so that part
3 of the container is detachable, or in containers connected to each
4 other by plastic rings or similar devices which are not degradable.
5 For the purposes of this section, "degradable" means capable of
6 disintegrating into minute fragments by naturally occurring bio-
7 logical or physical processes in the environment, within a period
8 of one year after manufacture.

1 7. a. A person may apply to the department for approval to
2 establish a beverage container redemption center, to which empty
3 beverage containers may be returned and from which payment of
4 the refund value of the beverage containers may be received.

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

11 c. The department shall approve an application to establish a
12 redemption center if it finds that the redemption center will pro-
13 vide a convenient service to the public for the return of empty
14 beverage containers. The order of the department approving the
15 establishment of a redemption center shall state the kind, size, and
16 brand names of empty beverage containers which the redemption
17 center shall accept and any other requirements which the depart-
18 ment deems necessary to insure that the redemption center will
19 provide a convenient service to the public.

20 The department may at any time review the operation of a
21 redemption center. After affording written notice and hearing to

22 the owner of a redemption center pursuant to the "Administrative
23 Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1 et seq.), the depart-
24 ment may revoke its approval of the continued operation of the
25 redemption center if it finds that the center has failed to comply
26 with the conditions set forth in the order approving the center
27 or if the redemption center no longer provides a convenient service
28 to the public.

1 8. a. There is levied upon the distributor a tax of \$0.0002 per
2 12 ounces of beverage sold by the distributor in a beverage con-
3 tainer sold to a retailer.

4 b. (1) A distributor shall, on or before the 20th day of the month
5 following the close of each tax period, render a return under oath
6 to the Director of the Division of Taxation in the Department of
7 the Treasury on a form prescribed by the director indicating the
8 number of beverage containers sold and at that time the distributor
9 shall pay the full amount of tax due.

10 (2) A distributor shall, within 20 days of the effective date of this
11 act, register as a taxpayer with the director on forms prescribed
12 by the director.

13 c. If a return required by this act is not filed, or if a return when
14 filed is incorrect or insufficient in the opinion of the director, the
15 amount of tax due shall be determined by the director from such
16 information as may be available. Notice of this determination shall
17 be given to the taxpayer liable for the payment of the tax. This
18 determination shall be final, unless the person against whom the
19 tax is assessed, within 30 days after receiving notice of this deter-
20 mination, applies to the director for a hearing, or unless the director
21 independently, makes a new determination concerning the amount
22 of the tax due. Within 60 days of the director's making this in-
23 dependent determination concerning the amount of tax due, the
24 director shall notify the person to whom the tax is assessed of that
25 determination.

26 d. A taxpayer who fails to file his return when due or to pay
27 the tax when due, is subject to the penalties and interest provided
28 in the State Tax Uniform Procedure Law, R. S. 54:48-1 et seq.
29 If the Division of Taxation determines that the failure to comply
30 with any provision of this section is excusable under certain
31 circumstances, it may remit part or all of the penalty and interest
32 as appropriate.

33 e. (1) A person who fails to file a return or to pay the tax due
34 hereunder; who intentionally files or causes to be filed, makes or
35 causes to be made, or gives or causes to be given any false return,
36 certificate, affidavit, representation, information, testimony or

37 statement with respect to any provision of this section or the rules
38 or regulations adopted hereunder; or who fails to keep any records
39 required by this section or by the rules or regulations adopted
40 hereunder, is, in addition to any other penalties herein prescribed,
41 guilty of a crime of the fourth degree.

42 (2) The certificate of the director to the effect that a tax has not
43 been paid, that a return has not been filed, that information has not
44 been supplied, or that inaccurate information has been supplied
45 shall be presumptive evidence thereof.

46 f. In addition to the other powers granted to the director in
47 this section, the director is authorized:

48 (1) To adopt, pursuant to the "Administrative Procedure Act,"
49 P. L. 1968, c. 410 (C. 52:14B-1 et seq.), rules and regulations
50 necessary to carry out responsibilities of the division under this act.

51 (2) To delegate to any officer or employee of the division any
52 powers and duties necessary to carry out the provisions of this
53 section, and the person to whom these powers have been delegated
54 shall possess and may exercise all of the powers and perform all
55 of the duties delegated by the director;

56 (3) To prescribe and distribute all necessary forms for the
57 implementation of this section.

58 g. The tax imposed by this section shall be governed in all re-
59 spects by the provisions of the State Tax Uniform Procedure Law,
60 R. S. 54:48-1 et seq., except to the extent that a specific provision
61 of this section may be in conflict therewith, in which case the pro-
62 vision of this section shall supersede the provision of the State
63 Tax Uniform Procedure Law.

64 h. The "Beverage Container Return Fund," hereinafter referred
65 to as the "fund," is established in the Department of Environmental
66 Protection as a nonlapsing, revolving fund. The fund shall be
67 administered by the department, and shall be credited with all tax
68 revenue collected by the division pursuant to this section. Interest
69 received on moneys in the fund shall be credited to the fund.
70 Moneys in the fund shall be appropriated to the department for
71 all costs associated with the department's administration and
72 enforcement of this act. For the purposes of this act, "administra-
73 tion" means, in addition to its usual meaning, the establishment
74 of a method for complaint handling and a public education program
75 to assure the widespread dissemination of information concerning
76 the responsibilities and benefits of this act and the preparation of
77 an annual report.

1 9. The Commissioner of the Department of Environmental Pro-
2 tection shall, not later than the 90th day after the effective date

3 of this act and pursuant to the "Administrative Procedure Act."
 4 P. L. 1968, c. 410 (C. 52:14B-1 et seq.), adopt rules and regulations
 5 necessary to carry out the provisions of this act. These regulations
 6 shall include, but not be limited to, requirements concerning the
 7 labeling of containers and for the adequate servicing and timely
 8 payment of refunds and handling fees by distributors to retailers
 9 and redemption centers and places of on-premises consumption, or
 10 agents thereof.

1 10. A person who:

2 a. Collects or attempts to collect the refund value on the container
 3 a second time, with the knowledge that the refund value has once
 4 been paid by the distributor to a retailer, redemption center or
 5 consumer;

6 b. Manufactures, sells, possesses, or applies a false or counterfeit
 7 label or indication which shows or purports to show a refund value
 8 for a beverage container, with intent to use the false or counterfeit
 9 label or indication;

10 c. Collects or attempts to collect a refund value on a container
 11 with the use of a false or counterfeit or indication showing a
 12 refund value, knowing the label or indication to be false or counter-
 13 feit; or

14 d. In any other way violates the provisions of this act or the rules
 15 or regulations adopted pursuant hereto;

16 shall be guilty of a petty disorderly persons offense for the first
 17 violation and a disorderly persons offense for each subsequent
 18 offense. Each day that the violation continues shall be a separate
 19 and distinct violation.

1 11. There is appropriated from the General Fund to the Division
 2 of Taxation in the Department of the Treasury the sum of
 3 \$100,000.00 for the purpose of administering its responsibilities
 4 under this act, which sum shall be repaid from moneys received in
 5 the "Beverage Container Return Fund" as soon as may be prac-
 6 ticable.

1 12. This act shall take effect on the 180th day after enactment,
 2 except that sections 9 and 11 shall take effect immediately.

STATEMENT

This bill would establish a \$0.10 refund value on all beverage containers of five liters or less containing beer or other malt beverages, soda water and other nonalcoholic carbonated drinks. The \$0.10 deposit would be imposed by the distributor at the point of

distribution to retailers. Manufacturers who want their bottles or cans returned for refilling or recycling are permitted to charge a deposit.

Distributors are obliged to accept for refund all beverage containers of the kind, size and brand handled by them during normal business hours. They are permitted to refuse unclean containers or broken glass containers but may not refuse crushed or dented plastic or metal containers, or glass containers which are chipped.

Retailers are obliged to accept for refund all beverage containers of the kind, size and brand handled by them.

Distributors must pay a handling fee of \$0.015 to retailers for each container returned.

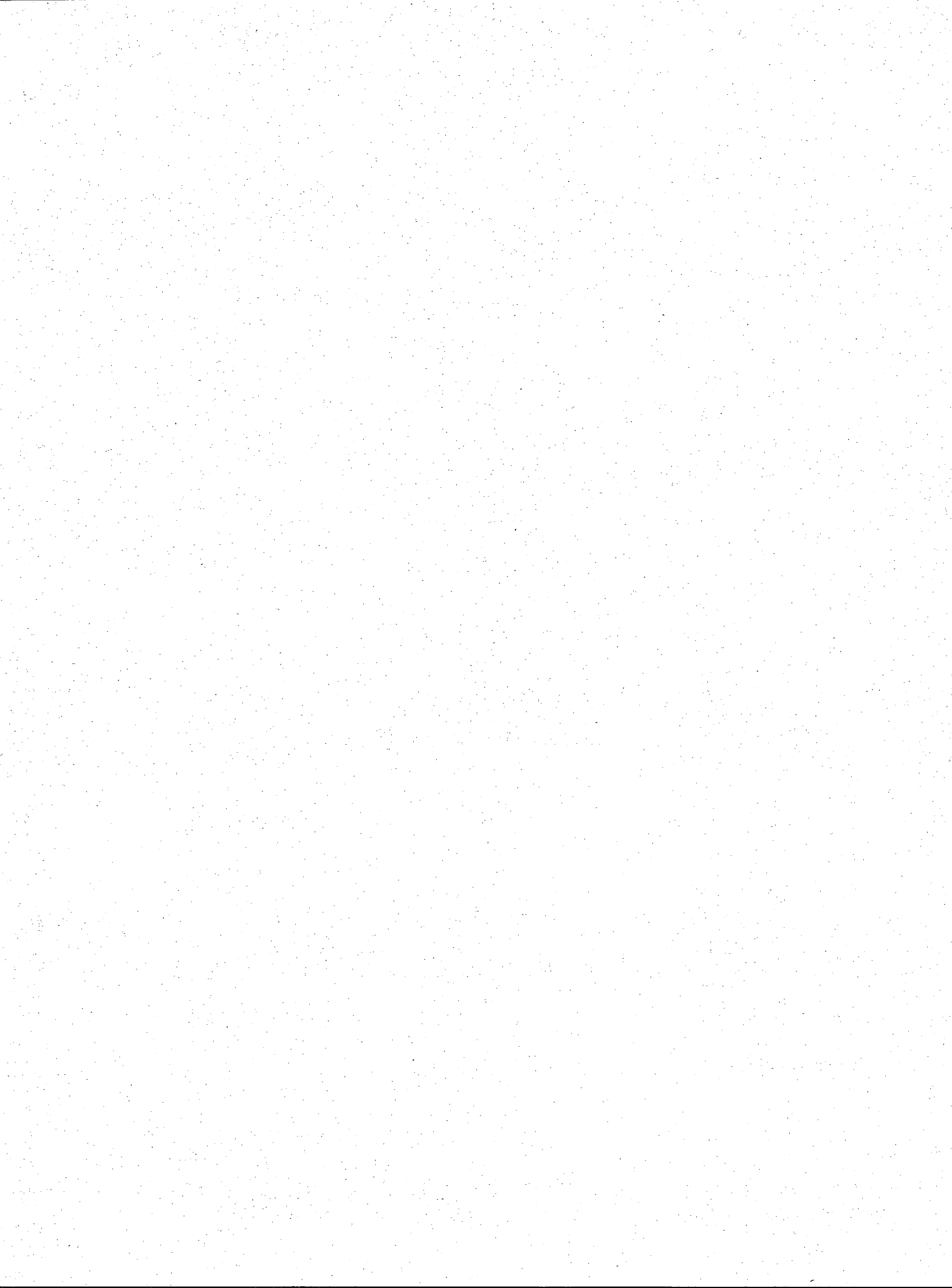
Beverage containers are to be labeled with the refund value and the inscription "New Jersey" or "N.J." and may not use plastic ring carriers or other nondegradable fasteners.

The bill permits the establishment, upon approval by the Department of Environmental Protection, of redemption centers but does not thereby relieve distributors or retailers of their responsibilities to accept beverage containers for refund.

The "Beverage Container Return Fund" would be established into which a tax of \$0.0002 per 12 ounces of beverage sold, paid by the distributor, would be deposited for administration and enforcement of the provisions of the act, including a method for complaint handling and a public education program.

Finally, the bill would appropriate \$100,000.00 to the Division of Taxation in the Department of the Treasury for the purpose of notifying retailers of their tax liability, distributing tax forms, and collecting the tax which sum would be paid back to the General Fund from the "Beverage Container Return Fund" as soon as may be practicable.

The bill provides for penalties for violations.



ASSEMBLYMAN ROBERT P. HOLLENBECK (Chairman): We will now call the hearing to order, please. If there is anyone present who would like to submit written testimony to the Committee, we will hold the record open for three days in order to receive your written testimony. We will then make it part of the official transcript.

The first person who requested to speak today is Mr. Edward Lloyd, New Jersey Public Interest Research Group.

EDWARD LLOYD: Good morning.

ASSEMBLYMAN HOLLENBECK: Good morning.

MR. LLOYD: My name is Ed Lloyd. I am General Counsel for the New Jersey Public Interest Research Group. I would like to thank you for inviting us here to testify today on Assembly Bill 2606. I am here to testify on behalf of New Jersey PERG. New Jersey PERG is a member of the can and bottle bill campaign. I am here to fully support, on behalf of New Jersey PERG and the can and bottle bill campaign, the passage of A-2606, the Bottle Bill. I will refer to the bill as the bottle bill throughout my testimony.

We have had bottle bill legislation pending in New Jersey for the last 13 years. Over that period of time, this hearing has been repeated many times. In the past, we have had proponents and opponents arguing this issue on a theoretical plane. The proponents claim that the bill will improve the quality of life and the environment, and opponents claim that there will be a loss of jobs and adverse economic consequences.

Fortunately, today and over the years, we have had growing experience with the passage of bottle bills in nine other states, and we are now in a position to testify regarding the experience of those other states, and how that experience would apply to New Jersey. The record of the other states is that the bottle bill has been consistently successful. It has been successful from an environmental point of view and it has been successful because of its acceptance by the governments of those states. It has never been repealed. There have been no significant problems with it.

The arguments of opponents have been shown to be inflated, exaggerated, and overstated; they were reduced to arguing that "this

state," or "that state," where a new bottle bill was being proposed, was unique. I am here today to present the results of a year-long study done by New Jersey PERG on the experience of other states with the bottle bill. The study will be released in the near future. I will submit written testimony within the next three days, detailing the findings of that study.

My purpose today is to summarize those findings for the Committee, in the short time we have.

First of all, I think it is important to recognize exactly what the bottle bill does. The bill changes the packaging of beverage containers, from the sale of the containers to the consumer to, in essence, the loan of the containers to the consumer.

In a state without a bottle bill, you can see (indicating on chart) that we start with the manufacturer, we go to the bottler, then we go to the distributor, the retailer, and the customer. Ultimately, the majority of the beverage containers end up in our landfills.

With the bottle bill, that is drastically changed. The bottle bill, in essence, is a loan to the consumer. It goes from the manufacturer, to the bottler, to the distributor, and to the retailer, but when it gets to the consumer it does not, by and large, end up in landfills; it goes back, through refillables and recyclables, to the manufacturers and to the bottlers. So, we change the entire nature of the packaging, and that packaging is, by and large, not ending up in landfills; it is being recycled and refilled.

There are three major benefits to bottle bill legislation: litter reduction; reduction in the amount of solid waste going to landfills; and significant increases in the recycling of aluminum and glass. I will address these individually, and I will begin with litter reduction.

Experience in the nine states that have passed bottle bills shows that there has been an 80 to 90 percent reduction in litter from beverage containers. As you can see (indicating on chart) from New York, to Vermont, to Oregon, to Michigan the rate runs 80 to 90 percent in beverage container litter. What that means is, overall litter reduction is from 30 to 40 percent. This has been the experience in other states.

In addition to the litter reduction, we have seen a reduction in solid waste generation. States that have passed the bottle bill have seen from five to nine percent reduction in the amount of solid waste produced. A commonly accepted figure is six percent. We would then expect that New Jersey should see a six percent reduction in solid waste. Given the depth of the New Jersey solid waste crisis, we think this is a significant reduction, and an immediate reduction.

What this would mean to New Jersey is a savings of 22 landfill days per year. For New Jersey municipalities, it would also mean a reduction of between \$17 and \$20 million, per year, in the cost of solid waste disposal. This may be why the 240 municipalities in New Jersey have endorsed the passage of the bottle bill legislation.

The bottle bill legislation would also mean a significant increase in recycling. We have seen recycling levels in other states increase significantly. As you can see here (indicating on chart) in deposit states with glass container recycling, they have from 91 to 96 percent recycling of glass. In New Jersey, according to the New Jersey Department of Recycling, it is only five percent.

With aluminum container recycling, we have seen an 88 to 97 percent increase. These figures, by the way, are Environmental Protection Agency figures. This figure is the New Jersey figure. (indicating on chart) Aluminum and glass in the non-deposit states is only 10 to 20 percent. This is an industry figure, and I will call it "aluminum figure." So, what we have seen is, when the bottle bill is passed there is a significant increase in the recycling of both glass and aluminum. In addition, the plastic industry has predicted that for 1985, 100,000 tons of plastic soft drink containers will be recycled, and that 98 to 99 percent of that recycling will occur in bottle bill states.

There are other benefits to the bottle bill as well. There are reductions in energy and water consumption, according to national government figures.

Also, significantly, a Long Island University study has shown that a 50 percent increase in recycled glass in glass furnaces, reduces the temperature of those furnaces by 50 percent. The necessity of

rebricking those furnaces is thereby reduced and it has to be done less often.

I am sure you are going to hear arguments today from opponents. The major arguments you will hear involve sanitation, employment, and the cost to the consumer. Let me address each of these arguments.

First of all, sanitation: This is the easiest thing to quickly dispose of. Retail stores, dealing with food, already address sanitation problems every day. There will be no significant increase in those problems with the bottle bill. Moreover, sanitation departments and health officers in the states where bottle bills have been passed have unequivocally and unanimously indicated that there are no sanitation problems due to the bottle bills in those nine states where they have been enacted.

Let me address the employment situation. Opponents will tell you that there will be a loss of jobs from the bottle bill. The fact is that the glass industry has suffered a steady decline in jobs over the last 10 years. The U.S. Department of Commerce has indicated that the glass industry has lost 31 percent of its jobs in the last decade. There are two major reasons for this: One is the long-term mechanization of production in the bottle industry; and the second is the rapid shift to plastic containers.

According to "Business Week," Owens-Illinois, the leading glass producer in the country and the leading producer in New Jersey, has invested \$550,000 in equipment to slash its labor cost; and, it has effectively slashed its labor cost. The average industry labor cost for bottle production is 40 percent; Owens-Illinois has slashed those costs to 25 percent.

Plastics have made a significant impact on the glass industry. In the last four years, plastics have taken over 20 percent of the soft drink market. Owens-Illinois, which controls 27 percent of the market nationally, and Brockway Glass, which controls 17 percent of the market nationally — both of which are important manufacturers in New Jersey — are investing heavily in plastic container manufacturing outside of New Jersey. These are the major reasons why there have been job losses in the glass industry.

Merrill Lynch's capital market analysts have predicted that there is a reasonable possibility that very few glass containers will be used at all by the end of the century.

Secondly, with respect to the job issue, experience has shown that estimates of job losses by both management and labor in other states have been grossly inflated, from five to ten times their actual impact. In Ohio, opponents of the bottle bill said there would be a loss of 10,000 jobs. In fact, there were only 3,600 employees in the industry at that time. The same thing happened in New York. Opponents said that 7,000 to 8,000 would be endangered. In fact, only 4,600 were employed in that industry in New York.

Even in New Jersey, at the last hearing on the bottle bill Congressman Hughes told this Committee that 10,000 jobs would be endangered. In fact, there are only 4,400 jobs in the industry in New Jersey today.

The fact is that the bottle bill will result in a net increase in jobs. This has been the experience in every other state that has enacted a bottle bill.

As you can see (indicating on chart) the rate varies from a few hundred to a few thousand: 5,000 or 6,000 in New York; 4,600 in Michigan. These are net increases in jobs. In Michigan there was a net increase of 4,600 jobs, and an absolute loss of only 240 jobs. Our estimates are that in New Jersey, the bottle bill would create 3,400 to 3,500 jobs. It is also important to note that as many high-paying jobs would be created as are lost. In addition to those high-paying jobs, there are literally thousands of lower-paying jobs that will be created.

You will also hear from the opponents that the bottle bill will drive up the cost of the product. In fact, in the bottle bill states we have seen an initial increase in product cost upon implementation of the bottle bill, but after implementation, we have seen those costs go down to even lower levels than we saw before. What is important to stress is, the major impact on cost due to the bottle bill is the cost avoidance by municipalities for solid waste disposal. To give you an example, the town of Montclair has saved \$60,000 a year in the cost of its solid waste.

I think perhaps the most important thing for this Committee to recognize is that the people in New Jersey have seen the bottle bill work in other states. They have seen it work in New York. They have seen it work in Connecticut. They have seen it work in Massachusetts. They have seen it work in Michigan, and they want it to work in New Jersey.

New Jersey PERG conducted a poll recently which was supervised by experts at Rutgers University. We found that citizens in New Jersey support the bottle bill by a ratio of five to one. This is true in other states. Polls taken in the states where bottle bills have been passed have consistently and overwhelmingly found broad consumer support for the bottle bill. We have also had indications from governmental officials in other states that they support the bottle bill. I have telegrams with me today from two governors of states that have the bottle bill which I would like to read. One is from Joseph Brennan, the Governor of Maine: "Maine returnable container law working exceedingly well. Environment cleaner. No jobs lost. Citizen support 100 percent."

From Terry Branstad, the Governor of Iowa: "Iowa's bottle bill has helped to keep our state's roads, streets, parks, and open spaces clean. Iowans are proud to have been one of the first states to adopt mandatory deposit legislation."

I also have a letter from the Department of Environmental Conservation in New York, and from the Governor of Oregon. The support throughout the country, where bottle bills have been passed, has been strong. Citizen support is strong. We urge this Committee to vote the bill out as soon as possible. Thank you very much. (applause)

ASSEMBLYMAN HOLLENBECK: Ladies and gentlemen, please, I am going to lay down some ground rules fast, all right? This is not a popularity contest. No applause, please. It is not necessary and it is unwanted. We will listen to your testimony; just kind of control your emotions, please.

Are there any questions? (no questions) Thank you very much, Mr. Lloyd.

MR. LLOYD: Thank you.

ASSEMBLYMAN HOLLENBECK: Ms. Barbara McConnell from the New Jersey Food Council who, at great sacrifice, returned from a desert paradise to be with us this morning, as we anticipate a snowstorm.

BARBARA McCONNELL: I didn't even get to go, much less return. Thank you, Mr. Chairman and members of the Committee. It is a well known fact that the New Jersey Food Council and its members strongly oppose Assembly Bill 2606, or any other legislation that forces a deposit on beverage containers in New Jersey, and which requires grocery retailers to become redemption centers or garbage collectors for this type of litter and solid waste in our State.

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; they are costly and inconvenient to the consumer; and, because bottle bills don't work effectively in achieving their intended goals of litter reduction and solid waste management.

As Mr. Lloyd from PERG has pointed out, most of our arguments in the past have been theoretical in nature. Perhaps that is true, but he also pointed out that now we have the experience of deposit states, such as New York. Taking something from that remark, I would like to point out to the Committee -- or to remind you -- that, as you know, in New York, The Temporary Commission on Returnable Beverage Containers, which is made up of representatives of not only industry but also of environmental groups and government officials, and which is charged with the responsibility of studying the impact of the beverage container law in New York, commissioned the Rockefeller Institute to do a study with regard to the impact of the law and its effectiveness in dealing with the problems of solid waste litter, jobs, cost to the consumer, etc. Throughout my remarks I will refer to this commission, which has not yet published its findings in final form. The draft has been published, and as a result I will refer to some statistics and findings taken from the Rockefeller Institute draft.

In the last 12 years, only 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 looking seriously, as we are doing here in New Jersey, at the problem of solid waste, diminishing landfills, and litter control, and they are concluding that there are more effective and comprehensive ways to deal with these problems than through a costly and limited system of forced deposits.

Even public opinion polls, or surveys which measure consumer attitude on bottle bills, show some interesting results. The Rockefeller Institute, which was commissioned by the New York Temporary Commission on Returnable Beverage Containers, further commissioned Professor Joseph Wuffle of the State University of New York at Albany to conduct a survey of consumer attitudes toward the New York bottle bill. While 43 percent of respondents thought a bottle bill was a good law, however inconvenient, 53 percent were not thrilled with the law, one way or another.

It was suggested in the Rockefeller Report to the New York Temporary Commission that while New York residents might register support for the bottle bill, they would register even more support for alternative policies. This theory is supported by a survey done in 1982 by "Research and Forecast, Inc.," when they examined the degree of support for a total litter control alternative, compared to a bottle bill in Connecticut. Remember, the Connecticut bottle bill had been operating for two years prior to this survey. The results were that 37 percent of the respondents favored the bottle bill, and 55 percent favored a total litter control alternative.

I refer to these public opinion surveys not because they are so important, but because the proponents of a bottle bill tend to over-emphasize public opinion and mislead elected officials and the press away from the real issues that need to be examined. These issues, in my opinion, are: What impact does a bottle bill have on total litter and solid waste reduction, and at what cost to the consumer, industry, and the State in terms of price increases, jobs, beverage consumption, lost revenues, shifts in container mix, and our existing recycling goals?

It is my hope that as a result of today's hearing you will be persuaded that the cost and negative impact of a bottle bill would be

too great to impose on the people of New Jersey, and that it is a solution which is limited and which runs counter to good solid waste and litter reduction programs.

I appreciate having the opportunity to appear before this Committee, and to share with you some very critical facts concerning the issue of forced deposit legislation and its impact on the retail food industry and, ultimately, the consumer.

First, let me introduce our Association for the record. The New Jersey Food Council is a trade association that represents the retail food stores, including supermarket chains, independents, cooperatives, and convenience stores, as well as the small grocer. There are approximately 9,000 food stores in this State, employing nearly 100,000 people. The retail grocery business is one of the largest industries in New Jersey, generating tax dollars into the hundreds of millions, and sales well into the billions. Add to this the large labor force and certainly it becomes clear that any action that adversely affects the retail grocery business will have a direct and significant effect on our State's economy, the consumer, and the food distribution system.

For retailers, redemption of bottles and cans is a labor-intensive chore which requires the hiring of additional employees, or the shifting of employees from a productive to a non-productive position. In addition, they must make building renovations, or additions, for storage of empties; they must purchase new equipment, such as cash registers, racks, shelving, pallets, storage bins, and reverse vending machines; and, they incur various miscellaneous expenses that are related to sanitation, breakage, pilferage, and sometimes 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 thousand per store, not including the annual, ongoing cost 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 2.6 cents per container. This study clearly points out that redemptions, for small retailers, are particularly costly and difficult because of limited space and sanitation problems that are incurred. And, in spite of PERG's testimony, let me point out to this Committee that sanitation is a real problem with any deposit system, especially for small retailers who do not have storage space.

Take a trip to New York City or New York State and go into any supermarket and see for yourself. Go into the beverage storage room and the stench will knock you out. The clutter will appall you. It is a problem. People do not bring back bottles and cans that are washed.

Based on these figures and the New York experience, it can be expected that a bottle bill will cost retailers, and ultimately the consumer, well over \$100 million a year in handling costs and unredeemed deposits, and this figure does not include initial capital investment by retailers, nor interruptions and other inefficiencies caused by traffic patterns, disagreements with customers on container counts and cleanliness, nor does this include the money a retailer floats, or puts up front, that is never collected in deposits because under this legislation they are required to redeem any container that is of a brand they sell.

As a result, in New York some retail stores are redeeming anywhere from 113 percent to 150 percent more than they sell. This figure, again, was taken from the Rockefeller Report. This can be described as loaning millions of dollars -- sometimes for as long as 60 days -- interest-free. Needless to say, this costs retailers money.

Taking all these factors into consideration, I wouldn't hesitate to estimate that a bottle bill in New Jersey could cost consumers well over \$150 million in increased beverage prices. Not only does the price of soft drinks and beer increase significantly in any deposit state, but these increases cause sales to diminish and consumption to decline.

Another impact of deposit legislation on consumption is the discontinuance of brands or sizes. The most likely ones to lose their

attractiveness are the marginal brands which retailers find costly to handle and return. The discontinuance of brands reduces consumer choice, causing sales to decline, economically affecting the manufacturers and suppliers of these discontinued brands. Thus, if New Jersey enacted a bottle bill and it led to significant declines in sales, as it has done in New York -- a six percent decline -- the cost to New Jersey consumers, bottlers, and distributors, could be substantial and should be included in the calculation of the cost of this legislation.

In addition to the retailer and consumer costs I have outlined above, this Committee must also consider the fact that the bottle bill in New York has resulted in job losses in the glass industry, as well as in soft drinks and beer, and that it has had a dramatic impact on container mix, causing a definite decline in glass containers and an increase in plastic containers, from 50.6 percent to 61.3 percent.

According to the draft report of the New York Temporary Commission, "Employment has declined sharply in the glass industry."

Certainly, some of the employment changes would have occurred in any event because of national shifts away from glass to plastics and cans. However, the report states, "Our suspicion, based on looking at trends in other areas, is that two-thirds to three-fourths of the present beverage container shift away from glass is due to the bottle bill, and that most of the consumption decline is due to the bottle bill."

There is every reason to believe that a bottle bill in New Jersey would cause even greater losses to the glass industry and greater shifts to plastic containers.

Bottle bills don't come cheap. It is evident that the cost associated with the process of forced deposits is substantial. A bottle bill would cost the consumer at least \$150 million -- as I pointed out -- in increased beverage prices. It is inconvenient and inefficient. It limits beverage choice for the consumer. It causes a reduction in sales, which results in lost revenues, profits, and unemployment; and, it impacts every industry in the beverage

distribution system, causing a shift in container mix which hurts the glass industry and encourages the greater use of plastic containers which, at this time, cannot be refilled or recycled efficiently.

To impose these costs and effects on the consumer of New Jersey through a system that will deal with less than seven percent of the solid waste and less than 20 percent of the litter is irresponsible.

If the goal of a forced deposit system is to reduce solid waste, extend the life of landfills, and clean up the State's litter, then a bottle bill is not the solution.

Based upon a recent study done by the Institute of Applied Research on the New York litter condition, as well as surveys in other deposit states, a bottle bill is a failure in achieving total litter control.

The Institute of Applied Research Survey compares beverage container and total litter rates, accumulated items-per-mile, for New York and Pennsylvania. Pennsylvania was chosen because it is comparable to New York in terms of population density, economic character, and urban/rural mix. Secondly, Pennsylvania has not implemented legislation aimed at reducing litter. In the first instance, the Institute of Applied Research cites a 7 to 20 percent range of beverage container contribution to total litter, based on previous studies done in Oregon, Vermont, Maine, and Michigan.

In the present study, comparing New York and Pennsylvania, they found that beverage containers make up 5 percent of the total litter in Pennsylvania with no bottle bill, and 18 percent in New York.

In conclusion, the study confirms that beverage container litter has been reduced by nearly 70 percent, but that changes in total litter were found to be, "negligible and statistically insignificant," and the cost savings associated with reduced beverage container litter are, "minimal at best."

This study is comparable to many other litter studies which have shown that Washington State, a state which has had a total litter program in place for over nine years, is doing a better job in reducing overall litter than any deposit state.

If the bottle bill is doing such a good job in cleaning up litter, why then have New York City officials asked for \$60 million in litter cleanup monies?

In addition, a major objective of the New York Bottle Bill, or any deposit system, was to remove beverage containers from the solid waste stream, which was to result in lower disposal cost and savings in landfill space.

Again, the Rockefeller Institute Study reports that beverage containers represent only 7 percent of the solid waste stream and that the bottle bill in New York has reduced that percentage by only 3.4 percent, at best, and that there has been no substantial solid waste management cost savings.

They further suggest that the bottle bill has had the effect of driving recycling markets away from an industry with established conversion technology, toward an industry which is just starting to develop such technology, such as glass to plastics. The effectiveness of any solid waste reduction program is linked to the health of the recycling markets.

A bottle bill, based on experience in New York and other states, will cause dramatic shifts in those markets that are not compatible with sound economical recycling goals.

You can't deal effectively with any problem by attacking only part of it. Our State's problem with solid waste, diminishing landfills, and litter, is only partially due to 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 costly, inefficient, and illogical.

The New Jersey Recycling Act was the first of its kind in the nation, and it has developed into a good example by achieving its intended goal of encouraging municipal recycling and cooperation amongst state and local governments, industry, labor, and the environmental community; however, we need to do more, and that is why our industry supports the proposed mandatory recycling legislation, due to be introduced in this Legislature within the next few weeks. Not

only will this legislation require every resident, municipality, and industry to cooperate, but the legislation recognizes the need to provide incentives for recycling, develop markets for these materials, and put in place collection systems that are convenient, equitable, and cost-effective.

This legislation was shaped by the 22 members of the Recycling Forum, of which I am a member as a representative of a food industry, and I believe the bill contains all the elements needed to make mandatory recycling work.

To address our State's litter problem, our industry supports comprehensive litter legislation, such as Assembly Bill 2003, sponsored by Assemblyman Marsella and Senator Hurley. This legislation, which is based on the Washington State program, will clean up and remove all types of litter, not just bottles and cans; it will provide financial assistance to municipalities for this purpose; and it will provide jobs. This legislation is expected to cost from \$10 to \$15 million, and it will do a far better job, at much less cost, than a bottle bill.

Mr. Chairman and members of the Committee, I thank you for giving me the opportunity to speak on this important issue. I urge you to defer the notion of supporting a 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 dilemmas than forced deposit legislation.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Ms. McConnell. You went a little over your time, but your industry is one which will have a major impact and I thought we would all want to hear your testimony. Just as with all previous testimony on bottle legislation, when dealing with statistics — since the general public is not used to statistics — statistics can be made to do anything you want them to do, either on the proponent side or the opponent side of the legislation.

I will give you an example of what comprises litter. One person might say, as a percentage of the total, that a match is one and a beer bottle is one; so, consequently, 50 percent of the litter was

from beer bottles. Obviously, we can look at that and say there is something wrong with it. Another person might say a match is one and a beer bottle is one; however, based on volume, one could come up with an astronomical percentage of the litter being beer bottles. Again, we are dealing with the same two numbers. We could have somebody else say "one beer bottle and one match," but they burned the match, so then we start going into the biodegradable life of the litter and have, again, the beer bottle way out front when talking about its biodegradable life as compared to the match's. This all deals with the same two items in order to create a statistic.

We are well aware of statistics and percentages, and how one can make them do anything one feels like making them do; one can come to any kind of conclusion with statistics, be he a proponent or opponent. We are well aware of this. This is just a word to the general public, informing them as to why they hear different figures relating to constant statistics.

Thank you very much again, Barbara.

MS. McCONNELL: Mr. Chairman, I would just like to point out that I will reference my testimony, giving you the information as to where I obtained these statistics, and sharing with you a copy of the Rockefeller Institute Report.

ASSEMBLYMAN HOLLENBECK: I did not want to infer that you intentionally, or in any other way, tried to misdirect the Committee.

MS. McCONNELL: All those figures and facts were taken from that Report. Thank you.

ASSEMBLYMAN PANKOK: Mr. Chairman, in reference to the mention you made regarding statistics, the previous speaker referred to surveys. Well, surveys can be worded in such a way that one can make the answer to the question come out any way he or she wants it to. So, I would like to bring that to light.

ASSEMBLYMAN HOLLENBECK: I said that for both the proponents and opponents alike. Statistics are statistics and we know they can be made to do anything, either way, just so the general public realizes that. Thank you very much, Barbara.

Our next witness will be James Morford, New Jersey Chamber of Commerce.

JAMES S. MORFORD: Good morning, Mr. Chairman. Mr. Chairman, I am James Morford, Vice President for Government Relations, New Jersey State Chamber of Commerce. I would just like to make a brief comment for your edification, Mr. Chairman. You mentioned matches. Matches are not, and have not been, included in any litter surveys being quoted. Litter surveys being quoted start with the smallest item being a cigarette pack or a match book, not the individual match; they then go on up to include corrugated boxes and rubber tires. So, they do not start with anything as small as one match.

ASSEMBLYMAN HOLLENBECK: I was only using that as an example.

MR. MORFORD: I realize that.

ASSEMBLYMAN HOLLENBECK: However, I guarantee I will find one that has a match in it. (laughter)

MR. MORFORD: As I said, I don't believe any of the surveys that have been quoted, or that we are quoting, will include them.

Mr. Chairman and members of the Committee, as I indicated, I am James Morford, Vice President for Government Relations, New Jersey State Chamber of Commerce, and Chairman of our State Chamber's Beverage Container Industry Task Force.

I want to thank you for the opportunity to speak to you today in opposition to forced deposit legislation for our State. A proposal that would substantially increase cost for consumers, that would trade well-paying jobs in industry for low-paying jobs and bottle-counting clerks, that would threaten tax revenues, and that would not have any significant impact on litter, just doesn't make sense.

For over a decade the New Jersey State Chamber of Commerce has led the opposition to forced deposit legislation as being the wrong solution to the problem of litter. We believe there is no doubt a forced deposit law in New Jersey will result in job losses and business reverses in our important glass, can, and plastic container industries, as well as losses in the smaller businesses that supply and service them.

Allow me to examine some of these thoughts relative to the glass industry. Since 1980 eleven glass plants have shut down in six Northeastern states. Glass industry employment in these states has

dropped from 13,900 to 5,600, and it continues to fall. The glass industry attrition rate in these states, since 1978, has been 48 percent, compared to 19 percent for the rest of the country. We believe that these declines are due primarily to the passage of beverage container deposit laws.

Mr. Chairman, in January we were hit by the news that one of New Jersey's remaining plants filed for Chapter 11. Seven plants, employing over 4,000 workers remain in operation in New Jersey. New Jersey is one of the leading glass producing states in the country. This important industry can hold its own, if allowed to compete. But, make no mistake about it, passage of a beverage container deposit law will produce devastating results for the industry and its work force.

The State Chamber is also concerned with increased cost to the consumers, and reductions in state sales and excise taxes if this legislation is enacted.

Since the passage of New York's bottle bill, New York City consumers are paying added costs in excess of \$150 million per year for soft drinks and beer. That is 4.4 cents per container, or about \$1.50 per case, exclusive of the cost of deposits.

Due to market shifts and consumer dropout, soft drink sales in New York have fallen by three to four percent, while beer sales have decreased six to seven percent. That results in massive revenue losses for the state.

New Jersey, however, continues to benefit as border sales of these beverages climb, due to New Yorkers crossing over to avoid the higher prices and the inconvenience of their deposit law.

Aside from revenue losses and higher prices, what else has happened in New York since the returnable container law took effect? Mayor Koch claims a 16 percent reduction in litter on the City's streets, but the City spent about \$60 million in 1984 to hire more people to clean up litter. Statewide, there has been no measurable reduction in solid waste.

The legislation being considered this morning, A-2606, mandates a ten-cent deposit on beverage containers, requires distributors to pay retailers a handling fee of one and one-half cent

for each container returned, and establishes a tax of two one hundredths per 12 ounces of beverage sold, to be paid by distributors. All of this, plus increased consumer cost of \$150 to \$200 million a year, and lost state revenue, is just to address only 15 to 20 percent of litter.

There was a study done in Oregon -- an official state litter study -- which showed that roadside litter was reduced by only 10.6 percent one year after the law took effect; urban residential litter was reduced by a mere one percent; and, a later study found a reduction of three percent, after five full years of implementation. This was a study of the effectiveness of the Oregon minimum deposit law done by Applied Decisions Systems for the State of Oregon in 1974. And, there are similar studies in Vermont and Michigan that come up with similar conclusions.

The State Chamber supports what we believe to be a better idea. We have actively sought a twofold legislative approach that will address the total State litter problem.

First, legislation proposed by Assemblyman Marsella and Senator Hurley, called The Clean Communities Act, would raise from \$10 to \$15 million annually from a small surcharge on litter-generating products. The revenue would go to counties and municipalities in order to fund programs to pick up and remove all litter.

The State Chamber also supports passage of the Governor's proposed mandatory recycling bill, in order to meet a goal of recycling 25 percent of the waste stream by the end of 1986.

Mr. Chairman, the State Chamber is appalled at the level of unfounded criticism leveled at the New Jersey Office of Recycling Report by the Can and Bottle Coalition. Using a slick, well-financed campaign to attack the State's strong recycling efforts, this coalition has used questionable polling data, and it has not even considered explaining the true reason why that office reported just 267,000 tons of recycled aluminum, glass, metal, and paper products in 1983.

The American Paper Institute reported that a whopping 756 thousand tons of these products were recycled in 1983, including a 56 percent recycling rate for newspapers, compared to 30 percent for the rest of the country.

Why this disparity in figures? It is very simple. The Office of Recycling is limited to reporting only what is reported by local governments to that office. Regardless of what the Can and Bottle Bill Coalition refuses to accept, recycling in New Jersey is an unqualified success, and it will improve even more with the passage of the legislation I mentioned previously.

Very briefly, I would like to mention a common misconception regarding forced deposit legislation. The misconception is that this legislation would clean our State of the most obnoxious forms of litter. The fact is, the legislation doesn't even address some of these major forms of litter.

A recent study developed by the Institute for Applied Research in California shows that newspapers represent 5.7 percent of urban -- not roadside -- litter, by area. Newspapers also comprise a dominant percentage of indoor litter: uncontainerized paper left on trains, buses, planes, and in terminals and other office buildings.

Each beverage container has the potential to cause 12.2 square inches of visual pollution. A 72-page newspaper, however, if separated by the wind and blown about the landscape, or against fences, can visually pollute up to 11,340 square inches.

Now, the State Chamber does not advocate a forced deposit on newspapers, but we use this as an illustration in order to point out the fact that the litter problem is larger than beverage containers.

New Jersey's Model Recycling Act has dramatically demonstrated that labor, business, government, and environmental groups can work together to produce positive results. A total litter abatement program would, in our view, produce a similar cooperative effort. Among its many other faults, the New Jersey Bottle Bill would be divisive.

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

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

Thank you, Mr. Chairman.

ASSEMBLYMAN HOLLENBECK: Thank you very much, Mr. Morford. That area is a new one; it is the newest one we have heard yet. I was wondering if you were talking about both sides of the newspaper.

MR. MORFORD: Only one side.

ASSEMBLYMAN HOLLENBECK: Only one side?

ASSEMBLYMAN PANKOK: Then you could double the numbers.

ASSEMBLYMAN HOLLENBECK: Do you have anything to add, Assemblyman Pankok?

ASSEMBLYMAN PANKOK: No.

ASSEMBLYMAN HOLLENBECK: Thank you very much.

May we hear from Ellie Gruber, please?

ELLIE GRUBER: Mr. Chairman, this is the corpus delicti (indicating a can of soda). This is what we are talking about. When this young girl is done with this can, you can bet all your legislative salary that this will go right into the waste basket, and that is the bottom line of the problem. Now she is going to take it to a recycling center, watch it.

My name is Ellie Gruber and I am Co-Director of the Natural Resources Committee of the League of Women Voters of New Jersey. The League is dedicated to the principle of active and informed participation by citizens in government, and it has 84 chapters, with approximately 6,000 members in New Jersey.

I thank you for inviting me to testify on the subject of A-2606, a Container Deposit Law, which we support. I have been testifying before legislative committees in support of a can and bottle bill since 1979. In fact, the League has supported this concept for over 12 years. We ask the Committee to keep these dates in mind because during that time, two of our closest neighboring states, in addition to seven other states, have adopted a bottle bill, and little has changed in our State with regard to the recycling of these containers, except for the fact that our garbage mountains are growing.

What is the test of the effectiveness of a piece of legislation? In our opinion, it is a combination of several factors. Does it address a need? Does it have informed public support? Is it the most reasonable means of solving a problem?

Yes, the Can and Bottle Bill addresses a need. Beverage containers are a dangerous and non-degradable component of our solid waste stream. They are not the only component; we never said they were the only component. But, they are among the easiest to separate. They are easily recycled, once removed from the waste stream. They are the largest component of litter on our beaches, and in our parks. They are a dangerous form of litter in our farming areas and on our roadways.

You don't have to guess about this. In reports published in several bottle bill states, New York, Michigan, Vermont, and Oregon, there is a documented improvement in litter reduction, as well as reduced accidents and injuries. These are facts.

In New York City alone, during the first year of the bottle bill, a 550-ton-per-day reduction in solid waste was reported. We call this a significant figure, and I think you would agree. These are facts.

Our parks directors and public works directors in New Jersey have sent letters to the Governor and the Legislature in support of the Can and Bottle Bill because they know what it is they pick up each and every day. They know how much it costs to clean up beverage container litter, and they know the damage it causes. We trust their opinions, and their figures, and so should the New Jersey Legislature.

Yes, the Can and Bottle Bill has the support of an informed public. The Food Council referred to Dr. Wolper's poll saying that people weren't thrilled with the bottle bill. You can be sure they are not going to be thrilled about recycling either. We are not trying to thrill the public; we are trying to make them a little more responsible.

Our legislators know that almost half the towns in this State have signed formal resolutions in support of deposit legislation, and their numbers grow every day. A recent poll shows that 82 percent of New Jerseyans support a bottle bill. We have heard that today.

Organizations such as the New Jersey Retail Merchants' Association, a group which also employs a heck of a lot of people; public works directors, the people who do, every single day, with our garbage what we should be doing; park and recreation directors; the New

Jersey Farm Bureau; seven county Boards of Agriculture; the New York/New Jersey Trail Conference; 10 daily newspapers; and over 25,000 residents have signed petitions asking for this bill. We consider this overwhelming support for deposit legislation. This is support from those residents who will bear the responsibility for the containers.

We know the residents of the States that have the bill like it and want to keep it. Attempts made against recent legislation by opponents have met with repeated failure. People want the bill in New Jersey. They are tired of the falsehoods reported by the special interest groups who oppose it. These falsehoods include -- and you have heard them -- exorbitant price rises; vermin infestations in every food store; extraordinary storage problems; job losses; incredible cost to the supermarkets; ruination of recycling; and reduced product demand.

Each of these accusations has been disproved. And, if I could just take a minute to rebut what Ms. McConnell said, I do go to New York, Connecticut, and Massachusetts, and I go to supermarkets in those states. I have yet to smell stench, nor have I seen whatever it is she said I would be seeing in the supermarkets.

My uncle owns probably one of the largest supermarket chains in Maine. His biggest one is in a town of 80,000 people. During the summer that swells to half again as many people, and there is no stench and litter in his supermarket. He wasn't thrilled when this bottle bill went in, but now he is living with it. It does not cost him that much to do. He says he has now accepted the bottle bill, but he will never be happy with it. His store is as clean as a whistle, or else it would be closed by the Department of Health.

I also say that open canoy containers in supermarkets are more of a cause for little mice running around than a deposit bottle in the back of the store.

Any supermarket manager worth his salary should keep the store clean from meat clippings, candy droppings, etc. That store should be clean, or we shouldn't be shopping in it.

Yes, the Can and Bottle Bill is the most reasonable means of solving the problem of litter, injuries, and that part of our solid

waste stream which is never going to degrade in our landfills. The Bottle Bill is a recycling bill. It goes hand-in-hand with any real effort to promote recycling in our State. There can be no conflict between recycling and a bottle bill if we are really serious about decreasing the amount of materials in our landfill.

You might have heard over the past few years from a few recyclers who fear for the safety and health of their individual programs, but their real goal should be to reduce the amount sent to the landfills and not to make their individual programs look good. Their income from the sale of recyclables will never be as great as the savings incurred from not dumping these recyclables into the landfill. Cost avoidance is the bottom line.

A true recycler wants to keep as much out of the landfill as possible by any combination of programs. And, I was very excited to hear Mr. Morford call the study by Jim Lanard and Al Kent a "slick, highly-paid-for publication" because we just figured out that the total cost of that publication was \$550 -- that includes the postage and zexxing. I think that's just great.

A statewide recycling program can never be complete without a bottle bill, because a significant portion of the volume of recyclable material will never be recycled. This can (again indicating soda can) is not going to get recycled today; you can bet your bottom dollar on that. But, if we had a bottle bill, and this young woman laid it down, someone would pick it up, redeem it, and that can would be recycled.

This beverage container litter which, during the summertime in our vacation state, accounts for as high as 80 percent of total beach and park litter, will just be thrown away. There are markets already established for beverage containers. In fact, one of the largest aluminum recyclers has left our State because there was just not enough aluminum volume without a can and bottle bill. Reynolds Aluminum stated that it was much more profitable for them to pull their trailer up to the door of the distributor in New York and fill it up with bottle bill aluminum to ship to their plant than it was to stop at every shopping center in New Jersey.

We need the Bottle Bill. We need recycling of all materials that can be recycled, and we need them now.

I just want to mention one other thing about this price survey. I receive the Sunday papers, as do many residents of New Jersey, and on the flyers of a large chain it always has the price marked, "New Jersey, Connecticut, and New York" written underneath, and "Deposit where applicable." There is the same price on those sodas in all three states, so I don't see where the increase in price comes from, because I don't see it when I go shopping.

The League of Women Voters believes in factual information rather than rumor and innuendo. And, I agree with you about price surveys, cost surveys, and litter surveys. We did a survey in 1979, and proved conclusively, with the help of a New York University economist, that the price of eggs and butter goes down in bottle bill states, so we can prove anything we want to prove.

I would like to specifically address one scare tactic that has received some publicity. Our opponents call a Container Deposit Law a hidden tax on the consumer. It is neither hidden, nor is it a tax. It is not hidden because the legislation states there will be a 10 cent deposit on each carbonated beverage and beer container. It is also written very clearly on each container. And, it is not a tax, because when the container is returned by the consumer to the store, he or she receives his full 10 cent deposit. The deposit is directly returned to the person who does what he or she is supposed to do: return the container.

We hope to have all New Jersey residents consider their garbage as a resource which must be dealt with, and recycled. We ask the consumer to consider the soda or beer container as a renewable resource. The Can and Bottle Bill is the first step in the concept of recycling. It can never hinder recycling because it is recycling.

I have given you some attachments to my testimony, including a very interesting full-page ad that appeared in The New York Times the day the New York Bottle Bill went into effect. As far as the glass workers being opposed to the Bottle Bill, I'd like to tell you that the Glass Packaging Institute and the workers each chipped in money to pay for this ad, and this ad says to buy your beverage in glass. Now that you have a chance to buy your beverage in glass less expensively, do

it. This is a beautiful ad, so I don't think the workers were that against the bottle bill.

We also have a letter from the City of New York explaining the tonnage reduction, the list of towns that support it, a letter against the litter tax and in support of a bottle bill by the Retail Merchants Association, a list of the supporting groups, and a letter from one of the most successful recyclers in New Jersey. I believe that is all there is in the packet.

Thank you very much. Do you have any questions?

ASSEMBLYMAN HOLLENBECK: No. Thank you very much for your testimony. You will submit your packet to us, so I have no questions.

Assemblyman Pankok, do you have any questions?

ASSEMBLYMAN PANKOK: No questions.

ASSEMBLYMAN HOLLENBECK: Thank you very much.

We would like to thank Mr. Charles Marciante, President of the AFL/CIO for his presence here today. He is a very busy gentleman. He came here today to express his interest in the subject because he is deeply concerned. That is why we asked him to come today and testify.

CHARLES MARCIANTE: Mr. Chairman, I would like to thank you and the members of the Committee for giving me the opportunity to testify here today and vent our frustrations — as others have vented them — on a particularly irksome bill.

I would just like to cite a couple of facts we cited at past hearings, and to update some of the data. I will try not to bore you to death with this presentation.

We have always felt it was the responsibility of the Legislature, along with business and labor, to help create jobs and create a healthy economy for the State of New Jersey. Frankly, we have to view A-2606 as a bill that certainly works in opposition to that entire concept.

The glass industry provides close to \$3 million in State and local taxes to the various municipalities of the State, and we go into a payroll exceeding \$200 million annually. I hear spokesmen for workers from the business community, and for those who are concerned about the environment, and, very frankly, I get concerned when I hear either of them speak for the working people of this State.

The idea is that if we have a deposit on bottles in the State of New Jersey, it would further reduce the employment levels of glass workers in this State. I am cognizant of the fact that a number of the major companies are shifting to plastic containers. But, I am also aware -- and I have looked at some of the figures that were held up on the very impressive charts -- that a great number of jobs would be created.

I have been close to the glass industry for at least 40 years. I participated in functions, many years ago, with my father, in South Jersey, the heart of the glass industry. And, over that period of time, I came to know a vast number of workers in those plants and mills that have shut down. Yet, I see charts that indicate that this is going to provide all kinds of employment.

I am aware that the union which negotiated for the workers in those plants has done a magnificent job over the years by gaining contracts and wage levels for the workers in that area which will provide them and their families with a good form of livelihood. They earn a wage that permits them to indeed participate in the economic system.

We have seen, with the adoption of deposit legislation, particularly in the Northeast -- and New Jersey is a major glass manufacturing state -- that as each state implements a deposit bill, there is a falloff in the number of jobs in the State of New Jersey. I won't begin to cite the numbers that were cited by the first speaker at this hearing, because I don't know where he got his inflated figures regarding the numbers of people who are affected. I am not talking about vast numbers of people, but even if it is one person, it is one hell of a big loss.

I have to tell you that here in the State of New Jersey, we had a membership from the glass industry in excess of 15,000 people, not five years ago, but maybe 10, 12, or 14 years ago. I am also cognizant that through technological change, there will be a loss of jobs, just from the technical changes that are made.

But, as each Northeast state implemented its deposit legislation, we saw a commensurate loss of jobs here in New Jersey. They might even be members of families of some of the people here who

would like to see this legislation passed. And, if indeed it is passed, I wonder how they will feel when these jobs are lost and they can only go to all of the thousands of jobs that will pay only \$4.00 an hour? You try to get by on \$4.00 an hour, or try to raise a family on \$4.00 an hour for a 40-hour week. Why, it is damn near a joke. Yet, they are the kinds of jobs -- and \$4.00 might even be a little high -- that are being put in to replace jobs which pay \$12.00 and \$14.00 an hour, jobs that people have negotiated for, with those kinds of wages, over the years.

We have, in New Jersey, one of the most productive work forces of any state in the nation. We have earned that reputation. In spite of the fact that we have a lot of old industry in this State, it is right up front, competing with the most modern facilities around the United States today. And, we do it purely on the productivity level of the New Jersey worker.

A-2606 is a step backward. I am not going to get into the horror stories about the stench in back rooms of supermarkets, because frankly I don't give a damn. But, I do care about those people you are going to hurt with this legislation.

I ask that this Committee give consideration to holding up this bill.

ASSEMBLYMAN HOLLENBECK: Thank you, Mr. Marciante. Of course, your area of testimony is one that has always carried very heavy weight in the Committee's consideration of legislation dealing with the employment question. This is something I know the Governor's office has expressed extreme concern over when we deal with deposit legislation. Your argument has very legitimate points, and your testimony always weighs very heavily with us.

Assemblyman Pankok, do you have any questions?

ASSEMBLYMAN PANKOK: No questions.

ASSEMBLYMAN HOLLENBECK: Thank you very much.

Mr. James Lanard, New Jersey Environmental Lobby.

JAMES LANARD: Mr. Chairman, Mr. Pankok, thank you for the opportunity to testify. My name is James Lanard. I am the Legislative Agent for the New Jersey Environmental Lobby, which is a loosely-knit coalition

of environmental groups in this State that have formed a lobby to represent them in their environmental advocacy before the State Legislature.

The thrust of my comments today will concern the glass industry and the jobs question, but first I have some summary comments to make.

First, Ms. Gruber, from the League of Women Voters, mentioned the flyers that she got. I neglected to give her her flyer back, which indicates that the prices are indeed the same. What it says is, "New York, New Jersey, and Connecticut, plus deposit, where applicable." This is absolute proof that prices do not go up if the marketplace chooses not to raise those prices. It is a choice.

One jobs question that was mentioned has to do with the creation of jobs, and it concerns the creation of jobs. Let me just reference the Committee to a newspaper called, "New Amsterdam", which is the largest black newspaper in the country, with a circulation of 55,000. William Tatum is the publisher and the editor. The "Amsterdam News" wrote an editorial, dated September 15, 1984, entitled: "We Salute the Bottle Bill." I will just read one quote from it: "The dozen recycling plants owned and operated by the franchised beer wholesalers are, in most cases, located in minority areas, providing jobs and creating business for ancillary services, such as food shops, restaurants, gas stations, and other commercial enterprises needed to service these new employees. Over 2,500 jobs for minorities have been created already with the New York Bottle Bill."

Concerning the handling of the disposals once they come back to the supermarket, you heard testimony that it was a nightmare and that handling was a disaster. This is the problem that was described (witness shows a picture to Committee) lots of empty bottles and cans coming back, and here is the solution (witness shows picture of machine to Committee) a reverse vending machine that is now available throughout the country, and which is being used extensively in deposit legislation. There is virtually no staff required to handle the empties. Empties go back into either can, plastic, or glass vending machines, and through a computerized network the glass, plastic, or

aluminum is actually crushed, and slips are prepared indicating just what type of product was returned. This is used in mandatory deposit states.

You also heard that when you walk into a supermarket sorting area, the smell could knock you out. I wonder if that same smell was available before we joined the throw-away society, when we were returning everything, including sour milk containers and every other type of beverage container, before the industry decided to improve their sales by using throwaways.

Concerning sales, let me just read a quote, and the rest of my comments will all be from business trade journals and magazines, published by companies that are supportive of ensuring new businesses which support workers who support the industries that pay for these publications. I am not interpreting any data; I am providing data given by the source itself.

From the magazine called, "Glass Industry" -- and this is a quote: "Experience to date indicates that after a relatively short period of adjustment, public purchases of products, subject to mandatory deposit, return to pre-deposit norm." This is the glass industry speaking. They are telling us, and telling the public, that sales do not decline, contrary to what you have heard today from their own spokespeople.

Concerning litter and the New York City Report, the New York City Report cited a 16 percent reduction in overall litter and an 80 percent reduction in beverage container litter, and they attributed that reduction to the Can and Bottle Bill, not to any extra economic payments they made, nor to an increase in the work force. They attributed the reduction directly to the deposit legislation.

Now, if I may go to my industry analysis on the jobs question, let me tell you the sources that I am going to be relying upon. The first one is a magazine, published regularly, called: "Resource Recycling." The other sources are: "Chemical Week;" "Beverage World;" and "Glass Industry." None of my data comes from outside of those reports.

Let me start by saying that as it concerns the jobs issue for existing workers in our State, we, at the Environmental Lobby, share great concern regarding any impact on jobs that may result from deposit legislation.

Mr. Marcianti and I have worked together very closely on the "worker and community right to know" issue. It is clear to me that the New Jersey Environmental Lobby has identified itself as being very concerned with health, safety, and job retention in this State.

Concerning the argument that the shift to refillables will cause a job loss, let me say that according to the United States Department of Commerce statistics, since 1976, refillables for soft drinks have continuously gone down. There has been a nine-year trend away from refillables, even though, currently, 20 percent of the population of the United States is covered by deposit legislation. Since 1976, refillables have declined for nine straight years. That decline is also reflected in non-returnable glass containers.

For beer, since 1976, refillables have continuously gone down, but non-returnable glass has gone up almost every year since 1976. Clearly, with the advent of more and more deposit laws, what we have seen in New Jersey and in this country is not a switch to refillables, but a shift away from refillables.

Concerning the glass industry specifically, the problem that the glass industry has is that it has a great over-capacity. I am just going to give you a couple of statistics as reported in their trade journal. The first one is that glass exports in the United States went down by one-sixth in one year, from 1982 to 1983. Glass exports to foreign countries have gone down one-sixth, while, at the same time, United States glass imports have increased more than two times its exports. So, what we see is a job loss that is partly related to foreign competition, not the bottle bills.

Another comment on the glass industry: It is true that there have been a great amount of plant closures. Fourteen of the 16 glass plants closed were in the Northeast; eight were closed in the east central region. That is a tremendous shutdown of capacity. Ironically, that shutdown resulted in more productive units replacing

the older plants. Glass capacity is not down anywhere near as much as is reflected in the shutdowns. What the companies are doing is, they are investing in high technology, capital-intensive plants so that they can run them cheaper with less workers, not more. Their capacity has not been reduced by anywhere near the amount their closures would suggest, and upon which they rely to show you job loss. They have gotten smarter in their old age; they have decided to save jobs and increase capacity in other ways.

In fact, I will list the glass plant closings in New Jersey for you: In 1980, National Bottle, Salem, New Jersey; in 1981, Ball Corporation, Jersey City; in 1982, Owens-Illinois, North Bergen; in 1983, Kerr Glass Manufacturing Corporation; and, in 1984 Owens-Illinois, Bridgeton. Yet, capacity does not go down anywhere near the trend those shutdowns would indicate.

Concerning over-capacity, we know that there is a minimum of eight to ten percent over-capacity in glass right now. Ten years ago there were 19 major firms producing glass bottles. Right now, there are 12, and of those 12 two are foreign competitors.

I would now like to move into the next area relating to the jobs question, and that has to do with plastics and whether a bottle bill causes the use of more plastics, and thus causes job loss.

If I may quote from "Business Week,": "A major glass company executive said, 'We lost many millions of dollars of glass container volume to our own plastics division.'" I am going to read that one again: "We lost many millions of dollars of glass container volume to our own plastics division." That is a quote from "Business Week" and what that clearly reflects is that the glass industry has chosen to invest, quite heavily, in plastics. I am going to give you some other examples of that.

The industry executives themselves predict that there will only be four or five major producers of glass within the near future. Plants will continue to be closed, notwithstanding whether any type of legislation is passed or isn't passed.

For beer, the market share is rising for aluminum beer containers, but it is going down for glass, another reason why the industry needs to re-think its investment policies for the future.

Now, let me give you some examples of three companies that had been located here in New Jersey and what their corporate practices are:

Anchor Hocking Company divested its glass container division, but acquired Gibson Associates, a plastics manufacturing plant.

Kerr Glass is beefing up its plastics packaging division, and it sold its glass plant due to plastics competition.

Brockway closed a glass plant, but bought several plastics companies. Is this a commitment to New Jersey workers? Are these jobs being located here in New Jersey? Are these companies shutting down glass companies in the labor markets of New Jersey and opening up plastic companies elsewhere? That is clearly the case.

I suggest to the Chairman and to the members of this Committee that if the glass industry is really concerned about jobs in New Jersey, those plastics plants of Anchor Hocking, Kerr Glass, Brockway, and Owens-Illinois would not be located out of state, but would use the same work force, trained and expert in making glass bottles, to shift their work to plastics. That has not occurred, and that is the real answer. It explains why the workers in New Jersey have been knifed in the back by the same people who are now professing to save their jobs.

Another problem with glass has to do with the energy waste factor, which is about 60 percent. One bottle out of every six in the production process is lost. That is a great expense, both to the manufacturer and to the consumer in the long run, because those bottles are not getting to the consumer. Now, we are glad to see the industry has awakened and decided that maybe they better figure out how to make a product that is competitive with plastic, and the way to do that is to find an unbreakable glass bottle. They are working on this, and when they find it, maybe glass will come back, especially if it is lightweight.

One company, Dorsey, has invested \$15 million in a joint venture to develop plastic containers with an extended shelf life for carbonated beverage containers. They are moving forward with an even higher technology so that glass will really become a thing of the past.

Just to give you an idea of what is happening in the airlines industry, within two years plastic miniatures -- those served on airplanes -- are projected to replace all glass miniatures on the airplanes. That will reduce fuel costs because the weight of the airplanes will be that much less, and they predict major savings. An entire industry, the glass miniature industry, will be virtually knocked out within two years. The single-serving plastic container is ready.

The only thing that has saved the glass industry to date is that they have captured the market on single-serving glass bottles -- the 12 ounce bottles and maybe the 16 ounce bottles. But, the plastic container is ready, and it will soon be introduced and marketed, not just for soft drinks but also for beer and other alcoholic beverages. Where are the containers being made? Are they being made in New Jersey by our workers? No. The workers in Cumberland County and in the rest of the State who have experienced this job loss should be mighty angry with their employers for telling them they want to protect jobs, when, really, they are taking those jobs to other labor markets.

I would like to, just briefly, address one specific company in New Jersey, the Owens-Illinois Corporation, which has been very active in leading some of the opposition to this issue. Owens-Illinois has closed more glass plants than any other glass manufacturing firm; yet, it produces more containers than it did before. Two plants in New Jersey have been shut down. Owens glass capacity has increased. Modernization has caused job loss, not the bottle bill.

Owens-Illinois has had no further growth in glass since 1980. It has closed five glass plants, and it has shut down 27 glass-making furnaces. Glass container employment peaked in 1977, with 23,000 employees; that is down to 10,000, but capacity is up. There are plans to reduce Owens-Illinois' glass business from 59 percent to 30 percent in 1989. The new chief executive officer of Owens has called for from \$40 to \$50 million in cash, generated each year by Owens glass container business, to be deployed into plastics, health care, and financial services.

Did Owens-Illinois ever try to invest in refurbishing the plants in New Jersey? We know, by the way, that the ovens and furnaces need to be replaced about every seven years, and that costs as much as \$24 million, per furnace. Are those furnaces being reconsidered? Are they being refurbished? Or, are investments going elsewhere? Are we seeing the end of the old plants and the coming in of new plants elsewhere? I fear that may be the case.

Concerning the job loss at Owens-Illinois, it is ironic that the chairman of the recycling committee for the Plastic Bottle Institute is a man from Owens-Illinois. His name is Leonard Bronson. That was reported in the "Resource Recycling" article of November 12, 1984. What commitment do they have to glass manufacturing in New Jersey?

I just have some miscellaneous comments before I conclude. First, let me quote from the industry that is regulated -- and this is in New York. Coca Cola and Pepsi have been quoted in the newspapers as stating unequivocally that there have been no price increases relating to beverage container deposit legislation. The beer wholesalers, New York State unit, says that the bottle bill works, and they have published a report, relying on some other documents that say this. There have been 3,800 skilled and unskilled jobs created in New York -- this is from the Beer Wholesalers Association, those people who have to handle the empties. There are 3,800 new jobs, skilled and unskilled, resulting in \$31 million in income to those workers.

There has been \$50 million saved from litter reduction and litter collection costs; there has been \$19 million saved in solid waste disposal; in energy savings, including recycling and reusable containers, between \$50 and \$100 million has been saved; and, new container processing centers have resulted in investments of \$40 million. These are not our figures; these are the figures of the investors themselves. They have found that there has been a great economic benefit to New York.

Concerning the popularity of this issue, Mr. Chairman, I think the test is whether this legislation has ever been repealed. It has never been repealed; the public will speak for itself. New

York City, which had no bone to pick in this matter -- it was waiting for the Albany State Legislature to act -- did a poll and found that 80 percent of the people like the bottle bill.

Concerning the cost to the stores, during the last session -- I think you remember this, Mr. Chairman -- we did offer, under your sponsorship, to increase the handling fee to the supermarkets in order to offset their cost, which they said was a disaster. They flatly rejected that offer. We offered to make sure they did not have additional expenses, and they, for some reason, decided that they could not accept that offer.

I don't know that you have heard a lot of new testimony today, but I think as we review all the transcripts the public will clearly be vindicated for its strong support of deposit legislation. There is certainly room to work on this with the opponents of the bill in order to make it stronger, and to ensure that any of their concerns can be addressed. It would be a great show of support if we unite some of these different factions. If they would come together with you, Mr. Chairman, maybe we can see how we can deal with a better Can and Bottle Deposit Bill in New Jersey. Thank you very much.

ASSEMBLYMAN HOLLENBECK: Thank you. Do you have any questions, Mr. Pankok?

ASSEMBLYMAN PANKOK: No questions.

ASSEMBLYMAN HOLLENBECK: Ladies and gentlemen, we have heard testimony from six people, and I think we have gotten a fairly broad overview on both sides of the issue of deposit legislation. As I said earlier, before we started, if anyone would like to submit what they feel is very pertinent, or any idea they have, please submit it in writing to the Committee aide. The record will be open for three days to receive your written comments so that the members of the Committee will be able to review them. I think in that way everyone will be able to submit their input.

I am going to ask Mr. Pankok if he has a statement.

ASSEMBLYMAN PANKOK: Yes, Mr. Chairman, just a few minor items that are of concern, as far as I am concerned. The health hazard is an item that I think we really have to take a long, hard look at.

Storage space at the local retailers is an item that looks to me as though it could be an astronomical burden on the retailers.

I am concerned about the loss of jobs. I don't know if all of you realize that I live in Salem County. I represent the 3rd Legislative District, which houses the glass industry in New Jersey. My concerns are well-founded. My concerns are for my people, and my concerns are for jobs in New Jersey, which could be lost because of this legislation.

The testimony given indicated there were a lot of new jobs created, and I agree with Mr. Marciante; I think most of these new jobs which have been created are jobs that would probably be minimum wage jobs, or, tops, \$4.00-an-hour jobs. I think he was being very generous with his \$4.00-an-hour figure. My question is, what about the person who is working in the glass industry today, the person who has two kids in school and this is his complete livelihood? What about that person? He has made a career of his job in the glass industry.

There was some indication by Mr. Lanard that Anchor Hocking left New Jersey. Anchor Glass is a very efficiently run plant in Salem, New Jersey. In fact, it is doing a very commendable job insofar as that corporation is concerned. We are very happy with it. Quite frankly, Anchor Hocking, Anchor Glass, or Anchor Container -- whatever their new name is -- is probably the life blood of one little town in New Jersey, and that is my home town of Salem. Not only is that town steeped in history, because it is seven years older than Philadelphia, but it is a town that is steeped in the glass industry. In fact, in our old restored court house there is a wooden sculpture of a glass blower.

These are things I am very concerned with because this is an industry we cannot be without in Salem City, New Jersey, or there won't be a Salem City, New Jersey.

So, these are some of the things I am very concerned about, and these are the things I will continue to work with the Chairman and the proponents of this bill on, to see if we can modify some of this. As it stands right now, I am not a bit happy, but I certainly am willing to work with the people who are proponents of the legislation.

Mr. Lanard, one thing you said is very true, this reverse vending machine is certainly an area we have to take a look at. I think this is the area we ought to be moving in, if we are to keep our glass industry viable.

The glass industry itself, if I understand it correctly, is giving each person in the glass industry five cents of his or her hourly wage toward advertising and towards the perfection of reverse vending machines. So, that industry is very much concerned, as is everyone else. I think we are all concerned.

Mr. Chairman, thank you for your time; those are my concerns.

ASSEMBLYMAN HOLLENBECK: Thank you very much. I would like to mention a couple of things regarding this issue. I have been dealing with container and deposit legislation for about four years. I have had hearings, conducted in South Jersey, in West Jersey, and all over the State, on container legislation. I have heard a great deal of this testimony.

Quite a few years ago, I think I realized that, concerning the glass industry — and I said this down in Cumberland County — the real danger was from plastics. Statistics have backed that realization up continuously. We tried, when we last dealt with the legislation, to accommodate the glass industry in order to ensure that there would be some employment within that business, by dealing with recyclable glass. Personally, I think if we used nothing but that, and if we demanded refillable glass, we would have some employment. But, nobody talks about that; they come, but they don't look at the problem. What you are trying to do is to defeat a piece of legislation, but you are not trying to solve your problem.

Ladies and gentlemen, the problem you have, of course, is this switch to plastic. Now, even the proponents of this legislation will talk about recycling, and we can recycle glass — some of it — but it doesn't all recycle. We cannot return it all because of the color in glass — the green glass. We can't return it because of its color, and nobody has addressed that.

Is there a market for all the recycled glass from beverage containers, plus the recycling act I am talking about? I dare say

there is not, and nobody has addressed that. Shouldn't somebody have talked about refillable containers, so that at least we would have employment; we would be making glass; and, we would not have this problem in our waste stream?

We hear about recycling. It is a nice catch word. We want to recycle aluminum cans. There seems to be a fairly good market for aluminum cans, although we are having some difficulty because you can't have aluminum cans with tin tops.

What about plastic containers, the enemy of the glass industry? This is what is causing the loss of jobs. They talk about recycling plastic containers, but has anybody said by whom, for whom, or what we are going to do with it?

I would think that the people who are representing those in the glass industry should say, "Why don't we have refillable containers because the only thing they can refill is glass; they can't refill aluminum. They can't refill plastic. That leaves us in charge of the whole thing; we have it; it is all us." Nobody even mentions that. So, at least the Committee can work with that alternative.

Concerning employment, the people had better look at themselves, because otherwise they are going to lose out to plastics.

The State, with all its solid waste problems, is going to be dealing with plastics, and it has no market for those plastics. There is no market for them. We don't know what to do with them. So, really, considering our solid waste problem, the answer might be to go to refillable glass. Nobody even testifies to that. You are just interested because someone told you, "Oh, this is bad for you," and you believe it. We have to have thinking people. "Recycle" is a wonderful catch word. We use it in the State. But, it is not all going to be great when you go into that kind of recycling effort. We have no market for all the glass manufactured in this State after we recycle it. We don't have a market in this State for all the plastics. We might have a market for newsprint. So, what are we going to do with all this recycled matter? We are going to wind up with landfill sites, under recycling, that are going to be filled with glass. We are going to have glass landfill sites. We are going to have metal landfill

sites. And, we are going to have plastic landfill sites. We will probably incinerate the burnable garbage in something called a resource recovery unit.

So, somebody is not thinking, and I wish they would. Now that I have opened up your minds a little bit, let us get some information back from the public and from some interested bodies who are really interested in their own employment and in the State of New Jersey. Not one person talked about the specific bill which deals with pull tabs. That is in the bill. Do you really want pull tabs on the cans? Do you really think we need them? The only reason we have them is because they are cheaper to make. That is the only reason we have them, but nobody mentioned that.

The ring binders are thrown around in our waterways; we see them in our parks. Do you really like them? They can be made from cardboard you know. Nobody cares about that. That is in the bill.

I think the public sometimes gets misled by some people. The problem with the glass industry in the State of New Jersey stems from the competition by plastics. Guess what? It is your own company that is manufacturing the plastics in other states. That is where the real problem comes from. So, let's look at the problem and try to come up with a solution.

I believe that the amount of municipalities, the amount of county governments, and the amount of organizations throughout this State that have passed resolutions in support of deposit legislation, gives those agencies and those governments the right to have a vote on deposit legislation in the State Legislature. They have that right. There is many a special interest around here that is having bills put through, just for their own little special interest or so they can make more money at the expense of all of us, and those bills go through both Houses in the Legislature. Yet, when we deal with something as important as this, we have been denied the right to have that vote by the Legislature. That is what we are going to fight for.

But, I would sure like to have a lot of allies, people who are starting to think and realize that maybe this is not a bad idea and that we can work something out. What is written on a piece of paper,

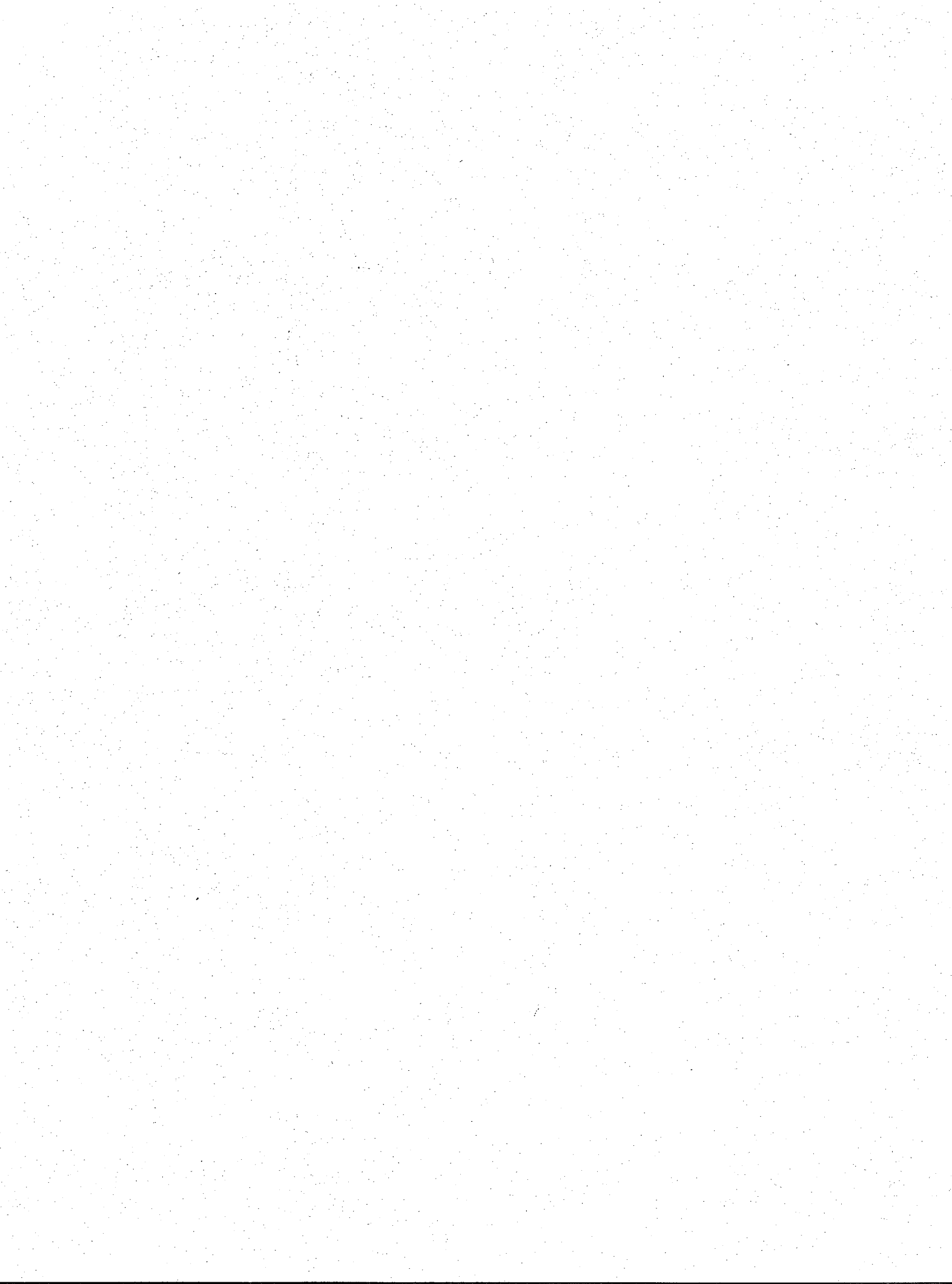
or what is printed on a piece of paper, can easily be changed in order to work out something so that we can accomplish our goal.

I want to thank you all for attending. The issue is never going to die until the matter is voted on, up or down, in both Houses of this Legislature. If it is defeated in the Assembly this year, the Assembly members could rightly turn around and say, "I will not vote for another one of those bills until the Senate votes on it." Let's see what the Senate does. And, if the Senate votes it down, then it has to sit. Then there is a legitimate reason for it to sit. But, both Houses of this Legislature should vote on the issue, that is very important.

Thank you very much. The hearing is now adjourned.

(HEARING CONCLUDED)

APPENDIX





Testimony of the New Jersey Public
Interest Research Group regarding
Assembly Bill No. 2606, "An Act
Regarding Beverage Containers."

Submitted to the Assembly Committee
on Agriculture and the Environment.

February 8, 1985

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1.0 Introduction

"Most Americans failed to realize the environmental and economic implications of container waste. But, since the rise of the environmental movement in the 1960's, the public has become increasingly aware of the drawbacks of non-returnable/non-reuseable containers.

"While citizen's groups, public officials, environmentalists and conservationists have lobbied for state deposit legislation, the beverage industry has always responded with formimidabile opposition. The beverage industry has encouraged its members to oppose deposit legislation to prevent the reordering of every company's share of the market. In other words, they oppose deposit laws in order to maintain the status quo."

Conference on Alternative
State and Local Policies

An Environmental Agenda for the States

When the first bottle bills were proposed, in the wake of Earth Day in 1970, their potential effects were discussed entirely on a theoretical plane. Proponents calculated the positive benefits to the environment and quality of life. Opponents bore down heavily on the potential for job losses, consumer inconvenience, and possible adverse economic effects.

Over the past fourteen years, however, bottle bill proponents have been able to point increasingly to the successes of the growing number of deposit law states. Industry opponents, deprived of a bad example, have been forced to argue that each state's experience is totally unique, to make increasingly labored projections and, in some instances, to fabricate.

The Can & Bottle Bill debate in New Jersey has been no exception. While proponents of a New Jersey deposit law have regularly presented testimony - through the media, before the legislature, and to the

1.0

general public - on the positive experience of other states, opponents have argued that other states' experiences have little application to New Jersey.

This report is intended to provide a basis for an impartial analysis of a New Jersey Can & Bottle Bill. The report does three things. First, it presents data on the impact of deposit laws in the nine Bottle Bill states. Second, projections are made about the probable impact of a deposit law on New Jersey, based on other states' experiences. And, third, these conclusions are contrasted with estimates made by Can & Bottle Bill opponents.

There are, of course, large grey areas. It is impossible to gauge with complete accuracy the impact of an initiative as large scale as the Can & Bottle Bill. In many important areas, such as solid waste, consumer cost, and employment, the future is dependent on a number of variables which have no relationship to deposit legislation (e.g. the glass industry drive to develop capital-intensive manufacturing capabilities).

However, the experience of other Bottle Bill states, covering a wide range of population size, industrial makeup, beverage sales, and geographic distribution, has provided a general and consistent guide to the range of possible impacts - on litter, jobs, employment, and pricing - of a New Jersey Can & Bottle Bill.

2.0 A Summary of Fact & Fiction

Fiction

Fact

"The state of New Jersey has already..... suffered a loss of 4,000 jobs in the glass industry since 1977. The passage of mandatory deposit legislation will further endanger an additional 10,000 men and women who are directly employed in the state's glass industry."

U.S. Rep. William Hughes
2'nd Congressional District
August 25, 1982 ()

Passage of the Can & Bottle Bill would result in a net increase of 3,500 jobs and only a small, potential decrease in container manufacturing. (Section 4.6 Employment)

"Litter increased 10% in Michigan during..... the first year of the law."

Floyd David Flexon
Manager of Public Relations
Owens-Illinois
July 22, 1982 ()

Litter has decreased substantially in every deposit law state. (Section 4.1 Litter)

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

Joseph Brock, Representative
Teamsters Local 830
August 25, 1982 ()

Deposit laws create many skilled and high paying jobs. (Section 4.6 Employment)

"The passage of such legislation may..... actually hinder the (recycling) program already underway to achieve these goals."

David Lloyd, Vice President
NJ Business and Industry Assoc.
August 25, 1982

A deposit law is the most efficient means for increasing recycling of beverage containers. (Section 4.3 Recycling)

"Our council on energy was particularly..... concerned with the waste of energy that will occur where deposit legislation becomes law."

David Lloyd, Vice President
NJ Business and Industry Assoc.
August 25, 1982 ()

Deposit laws produce substantial savings in energy and water use in the container manufacturing industry. (Sections 4.4.] and 4.4.2, Water and Energy)

Fiction

Fact

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

James Moreford, Director of
State Relations
NJ State Chamber of Commerce
July 22, 1982

"More potential and more danger, more..... bugs and more roaches."

Barbara McConnell, President
NJ Food Council
July 22, 1982

Mounting evidence from deposit law states indicates that:

1. Deposit laws are highly effective at what they are intended to do: reduce beverage container litter and solid waste. (See Sections 4.1 Litter, and 4.2 Solid Waste)
2. Deposit laws do not produce high prices (Section 4.8), create only low paid jobs (Section 4.6) or reduce beverage sales (Section 4.7)
3. They do reduce energy (Section 4.4.2), as well as water (4.4.1)

There are no major or continuing sanitation problems in deposit law states. (Section 4.5 Sanitation)

3.0 Overview

A Can & Bottle Bill places a mandatory, 10¢ deposit on beer and soda containers. Consumers are free to return empty containers to any retail establishment which sells the same brand of beverage. Beverage distributors are required to pick up empties from retailers, and to pay them a handling fee.

The purpose of the bill is to change the packaging patterns of the beverage industry from a primarily one-way system, under which used containers are the responsibility of consumers and the community, to a cyclical system, under which containers become the responsibility of the beverage industry. In essence, a container deposit system changes containers from a packaging "product" which is sold to consumers, to a "rental container," owned by beverage distributors and loaned out to consumers.

3.1 Container Mix

One factor which has a profound impact upon a state's experience with a deposit law is the degree to which the measure causes a shift in "container mix." Container mix is simply the composition, in materials and refillable/one-way container ratios, of beverage containers used in a state. Most containers are made from glass, polyethylene terephthalate (PET), aluminum, and bi-metal (steel and aluminum).

Changing market shares for these different types of containers make projections of container mix difficult (See Section 4.6.2 Employment). However, deposit legislation does - under virtually every circumstance - provide an incentive for increased use of

3.1

refillables. The ratio of refillables to one-ways, and the percentage of aluminum to glass to plastic to bi-metal, varies widely in deposit states, however. It is dependent on the substantive provisions of the state's deposit law and the local market conditions.

Some comparisons of refillable and one-way ratios for beer in deposit law and non-deposit law states are presented in Chart No. 1 .

Chart No. 1

| State | Deposit Law | Percentage Refillables |
|---------------|--------------------|------------------------|
| Connecticut | yes | 12 |
| Deleware | yes (bottles only) | 5 |
| Iowa | yes | 9 |
| Maine | yes | 28 |
| Massachusetts | yes | 19 |
| Michigan | yes | 23 |
| New York | yes | 11 |
| Oregon | yes | 22 |
| Vermont | yes | 36 |
| Rhode Island | no | 6 |
| New Hampshire | no | 4 |
| Maryland | no | 3 |
| Indiana | no | 8 |
| Washington | no | 6 |
| California | no | 7 |

From "1983 Estmiated Draught and Container Share by State," United States Brewers Association, 1983

4.1.0 Litter

Even as one-ways entered the marketplace four decades ago, their relationship to litter was widely recognized. Public officials feared that broken bottles would create tire hazards; outdoorsmen were concerned that they would spoil the landscape; and farmers complained that they damaged expensive equipment and machinery and injured animals.

Early state and local efforts to regulate one-ways were largely ineffective, and sales of disposables expanded. The Midwest Research Institute (MRI) predicted in 1966 that, within ten years, one ways would dominate soft drink sales. Along with that trend, MRI foresaw a related phenomenon:

"Litter volume may rise sharply in the next ten years, unless some kind of national conscience can be developed. The reason is the dramatic increase expected in throwaway beverage containers."

MRI could hardly have been more correct. Between 1966 and 1978, beverage container highway litter exploded 459 percent, from an estimated 1.7 billion to nearly 7.9 billion pieces, according to figures derived from a study by the U.S. Environmental Protection Agency (EPA). (1)

Beverage containers are by no means the only components of litter. According to the EPA, beverage containers make up from 35 to 40% of highway litter, by item count. However, by a number of other factors, container litter is the most obnoxious. For example, beverage containers are:

- (1) the largest volume component of litter, accounting for 40-60% according to the EPA and information from bottle bill states, (2)
- (2) the most visible component of litter. They are larger and more reflective than cigarette butts, candy wrappers, and other such items.

4.1.0

- (3) the least bio-degradable element of litter. Paper decomposes quickly; but it takes a steel can 100 years, an aluminum can 140 years, and a glass bottle "practically forever." (3)
- (4) the most hazardous element of litter. Unlike most paper and plastic, cans and bottles have jagged edges and broken pieces that can damage tires and equipment, defy easy clean-up, and injure humans, farm stock, and wildlife.

4.1.1 Other States' Experience

A state which enacts a beverage container deposit law can expect an 80-90% reduction in beverage container litter and a 30-40% reduction in the overall litter stream by volume. Chart No. 2 presents litter reduction findings of various deposit law states.

Connecticut, Delaware and New York have not conducted litter surveys to date. However, the City of New York conducted a survey which found that the state's deposit law has yielded a "16% reduction in litter in the City's streets and that nearly two-thirds of all cans and bottles are being returned." (4) According to New York City Sanitation Commissioner Norman Steisel, there has been an 80% reduction in littered containers citywide. The Commissioner noted, "This clearly is a remarkable achievement in only one short year." (5)

Many of the state surveys found that a sizeable percentage of those containers which had been littered were not deposit containers; they had been purchased in non-deposit law states. Thus, everything else being equal, a region comprised of interlocking deposit law states would experience even higher litter reduction rates.

4.1.2 Impact on New Jersey

While the experience of other states indicates that adoption of a New Jersey deposit law would significantly reduce the volume of litter in the Garden State, it is difficult to estimate precisely the size of such reductions. Evidence from federal studies indicates that the amount and type of litter varies significantly in different deposit

Chart No. 2 Litter Reduction by State

| <u>State</u> | <u>Reduction of Beverage Container by Piece</u> | <u>Total Litter Reduction by Volume</u> |
|----------------------------|---|---|
| Oregon ¹ | 83% | 47% |
| Vermont ² | 76% | 35% |
| Maine ³ | 86% | 39% |
| Michigan ⁴ | 80% | 41% |
| Iowa ⁵ | 79% | 61% |
| Massachusetts ⁶ | | 30 - 35% |

1. Oregon's Bottle Bill: the 1982 Report, Oregon Department of Environmental Quality, pg. 26
2. Vermont 5¢ Deposit: A Report on Vermont's Experience with Beverage Container Deposit Legislation, Vermont Agency for Environmental Conservation
3. Letter from Beverly H. Hubbard, Supervisor in the Division of Regulations, Maine Department of Agriculture, Food and Natural Resources referring to a survey performed by the Maine Department of Transportation
4. Survey conducted by the Michigan Department of Transportation, 1979.
5. Survey conducted by the Iowa Department of Transportation, 1980.
6. Telephone interview with Mary Miley, Massachusetts Department of Environmental Management, Bureau of Solid Waste Disposal, October, 1984.

4.1.2

law states, depending on a number of local variables (6). There is also a lack of data on current levels of littering, litter pickup costs, and the percentage of overall litter made up by containers.

However, a number of deposit law state surveys, and federal studies conducted by the U.S. General Accounting Office have produced evidence which indicates a range of likely litter reductions for New Jersey. According to the U.S. General Accounting Office, if New Jersey achieved a 90% redemption rate, a rate experienced in deposit law states, total litter would be reduced by as much as 30-40%.

Such a reduction would produce savings for state and local governments through decreased costs of litter pickup, transportation and storage. A New York study estimated that litter costs in the state may decline by as much as \$50 million, "in the immediate future" (7) as a result of that state's deposit law.

4.2.0 Solid Waste Reduction

"To understand the impacts of mandatory deposit legislation, it is essential to recognize that while we may carelessly talk about throwing containers "away", there is no such place. Used containers go somewhere, and the alternatives are all costly."

Governor's Cabinet Task Force
on Deposit Legislation
Massachusetts

Virtually all used beverage containers, except in deposit law states, go to landfills. In deposit law states, containers are separated from the solid waste stream, collected, and consolidated. Large percentages are permanently removed from the solid waste stream through recycling (Section 4.3), and by an increase in the use of refillables (Section 3.3). As a result, every deposit law state has

4.2.0

achieved reduction in total solid waste tonnage, most states reporting in the range of 5-9% reductions. (8) Michigan, the state closest in size to New Jersey experienced a reduction of 6% in its first year with a deposit law. (9)

4.2.1 Impact on New Jersey

According to the New Jersey Department of Environmental Protection (DEP), New Jersey currently has only 128 operating landfills with 12 of those accepting over 90% of all solid waste in the state (10). The New Jersey Board of Public Utilities has estimated that 8 of the 12 will be closed within 3 years, 2 more will close in the following 7 years, and the lifetime of the remaining landfills is uncertain (11).

The depth of New Jersey's solid waste crisis is staggering. Landfill sites are being closed at a swift rate, and new sites will be hard to identify. Alternatives are slow to be proposed, are costly, and have economic, political and environmental problems of their own (See Section 5.0 Alternatives to the Can & Bottle Bill). Most offer only longer-term relief while, in the mean time, waste disposal costs continue to skyrocket.

Adoption of a deposit law would, almost immediately, produce a 6% reduction in volume of solid waste flowing into New Jersey landfills. The state's landfilled municipal waste equaled 5.1 million tons in 1983, according to the N.J. Office of Recycling (12). A 6% reduction would be the equivalent of 306,000 tons annually, or 22 landfill days a year (13).

Current costs to municipalities for waste disposal average \$47/ton, with about 20% of that figure spent on dumping fees (14). With dumping fees being increased by between 100 - 200% by the Board of

4.2.1

Public Utilities, the potential cost savings to New Jersey municipalities from a deposit law equal:

| | | | | | |
|-------------------|---|-------------|------------|---|-------------------------|
| 306,000 tons/year | x | \$56 - \$65 | \$fees/ton | = | \$17.1 - \$19.8 million |
| annual | | | projected | | |
| reduction | | | municipal | | potential savings |
| | | | disposal | | to municipalities |
| | | | fees | | with deposit law |

4.3.0 Recycling

The difference between beverage container trash which must be landfilled, and glass, aluminum, and plastic which industry will buy back, is simply that the latter is separated out from the waste stream. Where situations allow the segregation and collection of container materials - as in deposit states - the percentage of such materials being reused by industry increases dramatically.

Recycling of beverage containers has three principal areas of benefit for the community at large. Recycling reduces overall use of non-renewable resources and helps reduce the rate of environmental degradation. From an economic standpoint, recycling brings down municipal costs for pick-up, transportation, and disposal of solid waste (See Section 5.2 Mandatory Recycling). And lastly, recycling improves the economy and efficiency of the beverage container industry by reducing materials costs, producing savings in plant maintenance, and improving manufacturing efficiency (See Section 4.4.2 Energy).

4.3.1 Experience of Other States

While few states have compiled exact statistics on levels of recycling under deposit laws, it is clear that beverage containers are being recycled in Bottle Bill states at levels far above those anywhere else in the country - including states with statewide recycling programs. The three main markets for recycled containers are glass, aluminum, and polyethylene terephthalate (PET).

4.2.1 Aluminum Recycling

Every deposit law state has reported extremely high levels of aluminum can recycling, according to reports from the container industry itself. A study by the Newark Department of Engineering, based on statistics from the Aluminum Company of America (ALCOA), found levels of aluminum container recycling in deposit law states, with over 2 years experience, to be in the range of 80 to 90% (15) (See Chart No. 2.5), while those states with more recently implemented laws have experienced recycling rate in the range of 70 to 73%. (16)

These rates stand in dramatic contrast to aluminum recycling rates elsewhere, estimated to be 25% nationally. (17) And, there are indications that even these deposit state figures may be low. Reports from Vermont indicate that "nearly all" aluminum containers are being recycled in that state, and the EPA estimates that aluminum container recycling in deposit law states is "extremely high", in the range of 88 to 97%. (18)

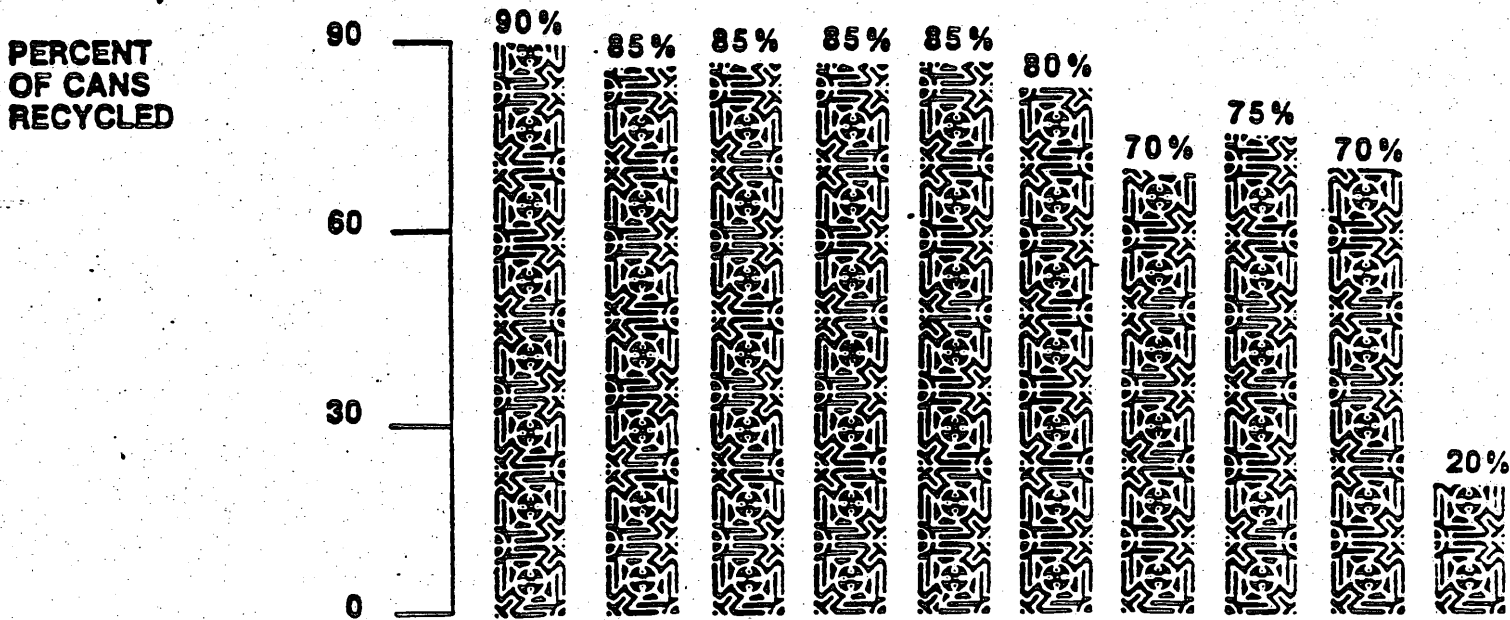
Glass Recycling

The most recent national survey, conducted by the EPA in 1980, found high levels of glass recycling in every deposit law state. It was estimated that glass recycling in deposit states was in the range of 91 to 96%, compared to a national average of 5% for non-deposit law states. (19)

Recycling rates for recycled glass are difficult to determine, due, in part, to the fact that glass recycling markets are not uniform. Glass recycling is divided into clear, brown, and green or mixed glass. Buyback rates for clear and brown - for which there is a ready market - are substantially higher than for green and mixed glass. (20)

Chart No. 2.5

**PERCENT OF ALUMINUM CANS RECYCLED IN EACH STATE
(PERCENTAGE OF CANS RECYCLED LISTED AT THE TOP OF EACH BAR)
BOTTLE BILL STATES VERSUS NEW JERSEY RECYCLING ACT
1984 Estimated by Alcoa**



| | | | | | | | | | | |
|--------------------------------|-------------|--------------|------------|------------|------------|-------------|-------------|------------|-----------|-----------|
| STATE | MICH | MAINE | VER | CON | ORE | IOWA | MASS | DEL | NY | NJ |
| DATE OF BILL ENACTMENT | 1979 | 1978 | 1973 | 1980 | 1972 | 1979 | 1983 | 1982 | 1983 | 1982 |
| POPULATION IN THOUSANDS | 9109 | 1133 | 516 | 3153 | 2649 | 2905 | 5781 | 602 | 17659 | 7438 |

1980 POPULATION CENSUS DATA

Reprinted from "The Jersey Sierran", September-October 1984.

4.3.1

There is some evidence that, due to the large volume of glass produced by deposit law states, the market for green and mixed glass has become so depressed that it is no longer economical to ship volumes to market. As a result, some percentage of glass containers are being landfilled in deposit law states (21). Some excess, however, is being absorbed by the fiberglass industry.

Plastic Recycling

Recycling of PET beverage containers has exploded over the past five years. An entire recycling industry has evolved around the collection, processing, and sales of PET containers from deposit law states. According to industry figures, 100,000 tons of PET soft drink bottles will be recycled in 1985, with between 98-99% coming from deposit law states (22). PET recycling has increased in proportion with the market share of plastic containers.

4.3.2 Impact on New Jersey

Current levels of beverage container recycling in New Jersey are very low, despite a major, state-level initiative to encourage municipal recycling. According to statistics provided by the New Jersey Office of Recycling and estimates made in the 1980 Report on Recycling in New Jersey by the State Advisory Committee on Recycling, recycling rates for total glass and aluminum have dropped in the past three years.

| | 1980 | 1983 |
|----------|---------------|-------------|
| Glass | 36,000 (23) | 22,256 (25) |
| Aluminum | 16,000 (24) | 720.5 (26) |
| | in tons | |

4.3.2

Based on the experience of other states, New Jersey can expect a tremendous increase in recycling of glass, aluminum, and PET beverage containers. Based on an estimated 50% ratio of container glass in municipal waste (27), New Jersey would increase container glass recycling from the current level of 11,128 tons to between 144,872 and 166,872 tons per year. Plastic recycling, of which little is occurring currently, would increase substantially. (It is estimated that New York's deposit law caused a jump of 10% in the national rate of PET container recycling) (28), and aluminum recycling would increase to over 90%.

4.4.0 Other Environmental Impacts

The environmental impact of deposit laws is dependent on two variables related to, but not required by, passage of a Bottle Bill. These are; the relative increase in recycling engendered by the law, and; the percentage increase in the use of refillable bottles. Different states experience quite different effects in these two areas, so it is impossible to determine exactly the environmental effect of a deposit.

4.4.1 Water Consumption

According to a study performed by the Midwest Research Institute for the EPA, it takes approximately 184 ounces of water to produce, package and deliver 12 ounces of beer. In comparison, the water requirements of the one way bottle, the bi-metal can and the aluminum can for the same 12 ounces of beer are 444, 409 and 181 ounces of water, respectively. (29) It is estimated that the passage of a national bottle bill would have the effect of reducing this nation's water consumption in the beverage container and distribution process by 63%. (30) Because New Jersey is a large producer of beverage containers, it is clear that the water savings which New Jersey could

4.4.1

expect under a bottle bill would be substantial.

Opponents of the bottle bill argue that the bill would actually increase the use of water since refillables require the use of a washing operation. There is no evidence to support this position. The principal industry study which made this finding, commissioned by the Continental Can Company, was based upon an analysis which considered only the "beverage filling system", where cleaning and sterilization take place. It failed to consider the mining and manufacturing process, where inordinate amounts of water are used.

In addition to conserving water, refillable bottles pollute our waters less than any other type of beverage container. Non-refillables generate three times the industrial waste that of ^{the ten} trip refillable and twice that of the five trip. (31)

4.4.2 Energy Savings

In 1972, Bruce Hannon, an engineering professor at the University of Illinois, studied the amount of energy expended in the various forms of beverage container packaging. He did this by scrutinizing each step in the life cycle of the container--from the period of raw material acquisition through waste collection. Hannon found that the throwaway bottle and the bi-metal can use 3.11 and 2.7 times, respectively, the amount of energy used by the eight trip refillable bottle. (32) The most egregious consumer of energy, however, is the aluminum can, which uses 33% more energy than the bi-metal can, or approximately 3.6 times that of the eight trip refillable. (33)

Industry agrees that the enactment of a deposit law would increase energy costs due to the necessity of trucking the "empties" from the retailer back to the distributors, the throwaway uses almost 33,000 more BTU's at the manufacturing level. (34) Therefore, immense energy savings are achieved from the use of refillables because of its low energy requirements in manufacturing. Naturally, the

4.4.2

more trips the refillable makes, the greater its energy savings are.

This does not mean that a deposit law will be ineffective in reducing energy consumption absent a shift to refillables. The high rates of recycling engendered by deposit legislation result in energy savings even if the container mix remains constant. According to the General Accounting Office, assuming no change in the container mix following the enactment of a national deposit law, there would still be a 24% reduction in the beverage industry's use of energy nationwide. (35) This is because the recycling of a raw material to produce a beverage container is far less energy intensive than producing the container with virgin material. For example, while the furnace temperature required to produce new glass from virgin material is 2,000 degrees fahrenheit, the use of cullet requires a temperature of only 1,100 degrees fahrenheit. (These lower temperatures also prolong the life of the furnace which translates into huge savings for the glass manufacturer since rebrick- ing can cost upward of \$1,500,000. (36)

Energy consumption reductions are confirmed by the experiences of the present bottle bill states. Vermont, for example, has saved 780 billion BTUs of energy per year. "This is the equivalent of over 5 million gallons of Number 2 fuel oil, or enough to provide for the home heating needs of 15,000 Vermonters." (37) Oregon estimates that its savings are 1.4 trillion BTUs per year, or enough to meet the heating needs of a town of 50,000. (38) And Michigan is saving 5.5 trillion BTUs a year, which is the equivalent of 43.8 million gallons of gasoline. (39)

Based on national projections, and the experience of other states, it can be assumed that New Jersey would achieve energy savings of at least 24% with a deposit law - and perhaps much higher if the state's glass industry increases its percentage use of cullet.

4.5.0 Sanitation

Can & Bottle Bill opponents have repeatedly raised the specter of increased vermin and rodent infestation of retail stores following implementation of a deposit law. While retail stores will, indeed, have to cope with one more source of attraction for pests, it is clear that the vast majority of stores find the problems to be relatively minor.

In most cases, retail establishments in deposit law states utilize large plastic bags and closed container, in which returned deposit containers are stored. Many stores are utilizing reverse vending machines which automatically accept, crush, and store containers and refund deposits to customers. Many retail grocery establishments currently process returnables, as well as a great assortment of products which attract vermin. A deposit law brings a new source, but not new problems, to retail stores.

A recent survey of state and local health officials, found only slight, transitory sanitation problems in deposit law states.

Oregon

"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."

"Grocery stores are notorious for attracting vermin because of large quantities of food which are stored on the premises. We certainly have rat infestation problems endemic in Portland, Oregon. We have a busy and active vector control program. We do not however, have any information that leads us to conclude that deposit bottles have contributed to the rat problem."

Dr. Charles P. Schade, M.D.
Health Officer, City of Portland
December 7, 1984

4.5.0

"According to all government agencies charged with inspection and enforcement of health and sanitation standards, no problems related to the Bottle Bill have been reported."

Oregon's Bottle Bill
The 1977 Report
Oregon DEQ

Massachusetts

"Since the implementation of the Massachusetts Bottle Bill, we have not had a noticeable increase in the incidence of vermin in retail or food establishments."

Richard A. Wilberg
Principal Sanitarian
Department of Public Health
City of Worcester, Massachusetts
December 5, 1984

New York

"We have found generally that supermarkets have been able to cope with the potential sanitation problems caused by returned beverage containers. Greater difficulties in maintaining sanitation appear to exist in some small food stores, particularly in urban areas, as a result of the "Bottle Bill"; however, we have found no significant overall increase in food store sanitation problems since the returned beverage container law was enacted.

L. R. Crowell, D.V.M.
Director Food Inspection Services
Department of Agriculture and
Markets
State of New York
December 17, 1984

Maine

"Retail stores work at keeping the storeroom area in sound sanitary condition and, as of yet, we have not seen any vermin or any signs they were in the area. It is not a problem in our state."

Beverly Hubbard
Supervisor, Division of Regulations
Maine Department of Agriculture
December 13, 1984

"Our inspectors report to me that they have not identified a single unsanitary condition in a store which would be attributed to returnable containers. Based on our inspections, therefore, I would conclude that the returnable

4.5.0

container law is being managed smoothly in the city of Portland from a health point of view."

David C. Bittenbender
Director of Health & Social Services
City of Portland, Maine
July 22, 1978

4.6.0 Employment

No other single issue in the Can & Bottle Bill debate has engendered as much controversy as the issue of a deposit laws impact on employment. While not an issue of major concern to the general public (See Section 6.0 Public Opinion), the potential for job loss has been a central question in policy discussion and political debate.

All available evidence indicates that passage of deposit laws produces a dramatic, net increase in jobs. Large numbers of positions are created because of the labor intensive nature of the additional tasks required under the law. For example, retailers need additional clerks to sort and handle returned containers. Distributors must hire additional truckers to cart back empties, and workers are needed to warehouse the empties, operate container redemption centers, and manage recycling operations. Furthermore, as the deposit law is likely to induce a shift to refillables, laborers are needed by bottlers and brewers for cleaning and handling operations.

Deposit law opponents have never questioned a Botte Bill's capacity to create jobs. But both industry and labor leaders have linked passage of deposit laws with tremendous losses of container industry jobs, and with a switch in quality of jobs from high paying, unionized container manufacturing to low paying, non-unionized retail jobs.

Analysis of changing market shares in container sales, and a review of the experience of deposit law states indicates little job loss as a direct result of deposit laws, and the opening of high, as well as low paying jobs.

Containers and Jobs (40)

With the end of Prohibition, the brewing industry entered a prolonged period of intensive centralization. The non-returnable container played a key role in this process. The growing use of the non-refillable both permitted and accelerated industry consolidation, since it allowed brewers to expand into new and distant markets without the added expense of container retrieval. At the same time, it reduced the labor requirements of brewers, distributors, and retailers.

Brewers, for example, could expand production, and in so doing take advantage of the economies of scale which permit greater output with fewer employees. Distributors could reduce the size of their delivery crews since they no longer needed to retrieve containers. And retailers, especially supermarkets, could avoid labor requirements associated with handling returnables. The sum total of these impacts helped to gradually transform producers and distributors from industries with high labor requirements to ones dependent on inputs of non-human energy and materials.

According to data provided by the Brewers Association and the National Soft Drink Association (Chart No.2.1), brewing and soft drink industry employment declined between 1950 and 1976, while production increased. During that period, the number of jobs required per million gallons of production dropped 71%, from 29.5 to 8.6 in the brewing industry. The soft drink industry mirrored that situation; the labor-output ratio declined 50% from 37.5 to 18.8 between 1965 and 1977.

The growth of the one-way container also brought with it expansion in the metal manufacturing and container making industries. But because these industries are highly energy and capital intensive, the number of new jobs in these sectors has not compensated for those lost elsewhere.

Chart No. 2.1

**JOBS AND PRODUCTION
IN THE BEVERAGE INDUSTRY**

| | Production* | Employment | Job Ratio** |
|--------------------|-------------|------------|-------------|
| BEER | | | |
| 1950 | 2,753 | 81,155 | 29.5 |
| 1955 | 2,784 | 80,409 | 28.9 |
| 1960 | 2,931 | 69,838 | 23.8 |
| 1965 | 3,351 | 60,405 | 18.0 |
| 1970 | 4,205 | 57,300 | 13.6 |
| 1975 | 4,745 | 47,100 | 9.9 |
| 1976 | 4,981 | 42,700 | 8.6 |
| SOFT DRINKS | | | |
| 1965 | 3,156 | 118,300 | 37.5 |
| 1970 | 4,645 | 130,800 | 28.2 |
| 1975 | 5,874 | 125,600 | 21.4 |
| 1977 | 7,307 | 137,100 | 18.8 |

*Millions of gallons

**Jobs per million gallons

Sources: Calculated from B.A. NSDA

Chart No. 3 - Containers and Job Quality

IMPACT OF MAINE'S BOTTLE BILL ON SALARIES AND PAYROLL

(1977 dollars)

| Employment Sector | Employment Change | Average Salary | Total Change in Payroll |
|--|-------------------|----------------|-------------------------|
| Metals Suppliers | -6 | \$15,892 | -\$95,352 |
| Container Manufacturers | -326 | 12,500 | -4,075,000 |
| Beverage Distributors | +150 | 14,503 | +2,175,450 |
| Retailing | +396 | 9,000 | +3,564,000 |
| Weighted Average Salary in Job Loss Areas: | | | \$12,561 |
| Weighted Average Salary in Job Gain Areas: | | | 10,512 |
| Average in Job Gain Area Excluding Retail: | | | 14,503 |
| Net Gain in Payroll: | | | \$1,569,098 |

Source: CalPIRG report, "The Maine Bottle Bill", 1980.

Chart No. 4 - Net Increases in Jobs Experienced by Deposit Law States

| <u>State</u> | <u>Net # Jobs</u> |
|----------------------------|-------------------------|
| Michigan ¹ | 4,648 |
| Maine ² | 626 |
| Vermont ³ | 350-450 |
| Oregon ⁴ | 365 |
| New York ⁵ | 5,000-6,000 (projected) |
| Massachusetts ⁶ | 1,800 (projected) |

Sources:

1. States Experience with Beverage Container Deposit Laws Shows Positive Benefits, Report by the Comptroller General, U.S. General Accounting Office, December 11, 1980.
2. Ibid.
3. Vermont 5¢ Deposit: A Report on Vermont's Experience with Beverage Container Deposit Legislation, Vermont Agency for Environmental Conservation.
4. G. Oliver Koppell, "Inconspicuous Consumption: A Look at New York's Bottle Bill," April, 1981.
5. Mandatory Deposit Legislation: Benefits and Costs for New York, The Executive Office of Development Planning, June 1982.
6. Mandatory Deposit Legislation for Massachusetts: Report to the Cabinet Task Force on the Bottle Bill, May 22, 1979.

Containers and Job Quality

Much has been made of the relative quality of employment under a system of returnables as opposed to one of disposables. According to Joseph E. Vanpool, Director of Legislation for the Glass Bottle Blowers Association:

"(A deposit law)... would trade off well-paying, highly skilled jobs for menial, non-union, minimum wage, litter pickup, bottle sorter type jobs." (41)

It is frequently argued that, on the average, jobs under deposit laws will be lower paying than those under the present system. Although data on this topic is very scarce, a study conducted by the California Public Interest Research Group (CalPIRG), and cited by the U.S. General Accounting Office, found that deposit laws create many high paying jobs, equivalent in salary to present jobs in the container and manufacturing industries. See Chart No. 3

4.6.1. Experience of Other States

The experience of deposit law states has been uniform. Each has experienced an extremely slight negative impact on employment, offset in every case by a dramatic increase in jobs. The experience of deposit law states is presented on Chart No. 4

4.6.2 Impact on New Jersey

The Decline of Glass Industry Jobs

The two greatest factors affecting employment in New Jersey's glass industry are the long-term mechanization of glass production by industry, and the rapid shift from glass to PET-composed beverage containers. Both trends have had a devastating effect on employment in New Jersey's glass industry, the largest exporter of glass containers in the country.

Glass industry jobs have been on a steady decline for over a decade, although it has only been since 1982 that the quantity of glass produced

has not increased. According to figures prepared by the U.S. Department of Commerce, jobs in the glass industry declined by 31% over the last ten years.

The increase in productivity is a reflection of the industry's successful effort to retool manufacturing capabilities by switching from labor to capital-intensive production modes. Owens-Illinois the largest glass producer, has taken a leading role in the changeover. According to Business Week:

"To boost productivity in glass operations, Owens-Illinois has invested more than \$500 million since 1978 in new equipment, slashing labor costs to only 25% of manufacturing costs versus the 40% industry average." (emphasis added) (42)

In the 1980's, glass production has declined in absolute terms. According to Robert A. Drake of the national Glass Packaging Institute,

"...the reasons were twofold. First was the recession which hurt all of industry and was the worst since the 1930's. Second was the impact of competition from plastics, aseptics, laminates, and aluminum cans. The combination of recession and competition was devastating... But without the inroads of plastics, the glass growth rate in nonreturnables and returnables would have been very different." (43)

The polyethylene terephthalate (PET) container has captured over 20% of the soft drink market in the past four years. In response to this swift rise in market share, glass industry leaders - principally Owens-Illinois and Brockway Glass with 27% and 17% of the national market, respectively - haven chosen to invest in plastic container manufacturing, perhaps in reaction to an apparent inability to effectively market glass. (44)

Richard S. Palm, a specialist with Merrill Lynch Capital Markets believes that, "glass will face strong challenges from plastic in just about every segment including beer. There is a reasonable possibility that few glass containers will be used by the end of the century." (45)

Job Losses in the New Jersey Container Industry

According to the Glass Package Institute, there were 5,277 people employed in the production of beverage container glass in New Jersey in 1982. Since that time, plant closings have reduced the number to 4,387. Since New Jersey is the largest exporter of beverage container glass in the United States, (46) it is difficult to calculate what percentage of the work force is employed in producing containers for use in New Jersey. Assuming that between 60 to 80% of glass container production in New Jersey is exported, the number of New Jersey glass workers who might be affected by a state deposit law are in the range of 877 to 1,754.

According to a report of the Resource Conservation Committee, a task force composed of nine federal agencies at the Assistant Secretary level, the "worst case" scenario for job loss in the glass industry would be a 14% reduction in jobs, assuming a mix of 60% refillables. (47) In New York, which experienced an increase in refillables from 11.1 to 30%, (48) industry estimated job losses to the state's glass industry of 7%, equivalent to the national findings.

New Jersey refillable rates for beer are currently lower than New York's prior to its adoption of a deposit law (11.1% for New York compared to 6%, New Jersey). However, assuming a worst case scenario, of an increase in refillables to 30% in New Jersey, it can be anticipated that New Jersey would experience job losses at approximately the same rate as New York, or about 7%. Thus the total, worst case, job losses for the New Jersey glass industry resulting from implementation of a deposit law range from 61 to 123.

According to Owens-Illinois, there are 9 plants in New Jersey producing aluminum and bi-metal beverage containers, employing 1,652. Assuming a range of 40-60% production for use in New Jersey, there are between 661 and 991 jobs in metal container production which might be affected by passage of a deposit law.

According to the Resource Conservation Committee, with a worse case scenario of 60% refillables, the national metal container industry would

experience job losses of 28%. Assuming a refillable mix of 30% with a New Jersey deposit law, a worst case scenario for job losses in the state's metal container industry would be about 14%, or between 93 and 139 jobs.

It is highly unlikely that these projections will exactly mirror the employment picture of the container market with a deposit law. In the first place, manufacturing capacity and employment are not directly proportional to container sales. Should demand for beverage containers decline, manufacturing capacities could be switched to other forms of glass containers. In addition, PET manufacturers, which currently employ about 300 workers in two New Jersey plants, (49) might increase capacity as the PET container market share increases, opening new container manufacturing jobs.

It is also difficult to determine the exact connection between the effect of deposit laws on sales, the effect of sale on manufacturing, and the impact of changing market conditions on corporate planning. Because the industry is strongly anti-deposit law, there is a powerful incentive to equate general industry job losses with sales declines resulting from deposit laws. The General Accounting Office, for example, questioned whether job loss figures for Michigan, estimated at less than 250, could be counted as directly attributable to the bottle bill.

Certainly, beverage industry estimates of projected job losses due to deposit laws have been wildly inaccurate. For example, opponents of Ohio's deposit law have warned that passage of a bottle bill would cost 10,000 jobs in the state's container industry when the entire industry only employed 3,600 people. While only 4,600 workers were employed in New York's container industry prior to the state's passage of a deposit law, industry opponents claimed that the law would cost New York between 7,000 and 8,000 container manufacturing jobs. (50)

Calculations of job losses based on government projections and checked against the actual experience of deposit law states can, however, provide a general guide to the upper range of job losses which might occur in a worst case scenario. Similarly the experience of other states can provide a general guide to the number of jobs which might be created

with a New Jersey deposit law.

Based on the experience of Michigan, a state similar in size to New Jersey, passage of a deposit law would result in an increase in jobs of 3,719. Assuming a switch to 30% refillables, assuming the container manufacturing industry cuts employment in direct proportion to sales losses for containers, and assuming no increase in PET container jobs, passage of a New Jersey deposit law, in a worst case scenario, would result in an increase of between 3,457 and 3,565 jobs for the state.

4.7.0 Sales

The general pattern of beverage sales in deposit law states has been a slight decline immediately following implementation, followed by a resumption of normal growth patterns. (51) It is extremely difficult to separate out the impact of deposit laws on sales in Bottle Bill states because consumption patterns in many regions have declined overall in response to factors wholly unrelated to deposit laws. These include changes in the legal drinking age, general economic conditions, fluctuations in tourism, and industry price increases.

According to statistics compiled by Environmental Action, a national environmental research organization based in Washington D.C., sales patterns in deposit law states have been as follows:

- Oregon: Deposit law implemented October , 1972. Experienced a 5.11% growth in beer consumption in the following year. Between 1973 and 1979, saw a 33.5% growth in beer consumption, compared to 25.9% nationally.*
- Vermont: Deposit law implemented July 1, 1973. Experienced a dip in sales following implementation. Between 1974 and 1978, consumption grew 25.9% compared to a national rate of 18.1%. Soft drink sales figures immediately following implementation are unavailable, however, sales between 1977 and 1981 increased by 97.7%, compared with 66.1% for the Northeast region as a whole.
- Maine: Deposit law implemented January 1, 1978. Beer sales initially down due, in part, to an increase in the drinking age in October 1977. Sales in the first three years grew by 5.0% compared to 1.13% in the three preceding years. Maine's dollar sales for soft drinks grew by 4.87% in 1978, and 12.98% in 1979.

Michigan: Deposit law implemented December, 1978. Beer sales were up 11% in 1978, but dropped to 3.64% in the following year due, in part to an increase in the drinking age from 18 to 21. Another contributor to the decline was Michigan's sagging economy one of the most depressed in the nation. Michigan soft drink sales were stationary in 1978 and 1979, but were up 10.7% in 1980 and 13.0% in 1981.

Connecticut: Deposit law implemented January 1, 1980. Beer sales dipped 6.1% in the first year, but grew at a rate of 6.83% between 1981 and 1983 compared to a national average of 2.91%. Soft drink sales increased 17.11% in 1980.

Iowa: Implemented in mid-1979. In 1979 beer sales rose .86%, with a increase in the drinking age the previous year. Sales dropped .58% in 1980, but were up .59% in 1981. Iowa's soft drink sales were up 29.4% in 1979 and 14.59% in 1980.

Deleware: Implemented January 1, 1983. Beer sales went up 1.73% compared with a national growth rate of only .35%*

Massachusetts: Implemented in 1983. Beer sales were down 3.43% in 1983, the same rate of decline as the preceeding year.*

New York: Implemented September, 1983. Beer sales for the entire year were down .8% compared with a national growth rate of .35%. Most of the sales drop occured before the law went into effect. Between January and August, 1983, sales were down .91% compared to the previous year.*

* Indicates soft drink figures unavailable.

SOURCES: National Soft Drink Association Statistical Profile 1982, National Soft Drink Association Sales Survey of the Soft Drink Industry, 1981, Brewer's Almanac 1975-1982, and United States Brewers Association State Shipment Bulletin, 1983.

Every state which experienced a decline in sales following implementation have other factors which helped to depress the market. In attempting to gauge the impact of a deposit law on sales, it must be assumed that while some of the initial sales drop-off results from familiarization with the law by both consumers and industry, this effect does not account for the entire decline.

4.8.0 Cost

The amount of increase in retail prices caused by a deposit law is based on three factors. The first is increased costs to distributors and retailers for capital and labor increases required to comply with the

law. The second is the degree of increase in the availability and use of refillable containers. And the third is the extent to which the beverage industry chooses to pass on their costs to the consumer or, as has been the case in some states, the extent to which industry chooses to use the new deposit law as a pretext for price hikes beyond the level of actual costs to industry.

While experience in deposit law states have provided a basis for calculating probable costs to industry, the actual cost to consumers is much more directly related to the degree that market forces operate to keep consumer cost, and industry profit-taking, low.

There has not been a uniform change in beverage prices where deposit legislation has been enacted. In the aftermath of the bill's implementation, many bottle bill states have experienced no change in soft drink prices, although most have seen increases in beer prices. (50)

There are some indications that price increases in some states have been unjustified. Retailers in New York have charged that beer distributors have used passage of the deposit law as an excuse to raise prices. A Vice President of the Shopwell Supermarket chain charged,

"The beer companies have gone out of their way to do a job on us. They have made implementation of the bottle law totally to their advantage. They felt that they could mask the single largest increase ever from a brewery by including it with this legislation."

Distributors have also acted to drive up prices in New York by refusing to pick up empties as often as they deliver. Thus, according to the New York Department of Sanitation, causing many bars and restaurants to "raise their prices sufficiently to cover deposit losses and throw the empty containers away." (51)

4.8.1 Impact on New Jersey

Estimates of the cost to distributors of handling returned empties

range from 40¢ to 50¢ per case (52) with the most commonly agreed upon figure being 48¢. Since New Jerseyans consume approximately 80 million cases of soft drink and 60 million cases of beer annually (53), at a rate of 48¢ per case, handling costs to New Jersey distributors would amount to \$67.2 million. In addition, distributors must pay retailers a handling fee of 1.5¢ per container (54), totaling \$114.1 million.

Distributors have revenue which offsets these costs, income directly attributable to a deposit law. First, distributors are entitled to the keep the deposits on all containers which have not been redeemed. Assuming a 90% return rate, these monies would amount to \$33.6 million, with a 10¢ deposit. Second, distributors earn interest on the deposits which they hold, equalling about \$1 million (55). Finally, the distributor receives income from the sale of non-refillable containers through the recycling market, conservatively estimated at \$30 million (56). The total net cost to New Jersey distributors under a deposit law would be approximately \$49.5 million, or 35¢ per case.

Cost estimates for retailers are widely variable. A Food Market Institute study in 1980 estimated that the cost to the retailer of handling and storing empty containers approached 57¢ per case. Estimates this high have generally been discounted because of biased sampling a poor study methodology. (57) At the other extreme, the Miller Brewing Company reports that costs to Vermont and Oregon retailer, in 1979 dollars, were 17.04¢ and 6.94¢ per case respectively. (58)

Assuming a cost of 48¢ per case, the most widely accepted estimate and the figure used by the state of New York in projecting costs in that state, the total cost to New Jersey retailers with a deposit law would equal \$67.2 million. From this amount handling fees of \$46.8 million are subtracted for a net cost to retailers of \$20.3 million, or 14.5¢ per case.

There are a number of factors which could bring down these costs, however. Increased sales of returnables will produce savings in the cost of packaging. It is estimated that one-containers cost 30% more to use than refillables. (59) On the retail level, many retailers in

deposit law states have benefited from its adoption. In a open letter from Vermont retailers to their counterparts in New Hampshire, Vermont businessmen noted,

"None of us has lost much money - if any - by receiving returnables. In fact, some of us have made money, especially knowing that many customers immediately spend their deposit funds in our stores." (60)

The lack of prolonged consumer dissatisfaction in deposit law states (See Section 5.0 Public Opinion), coupled with wide variations in pricing following implementation of deposit laws, indicates that the prime variables in determining the amount of costs passed on to consumers by industry are the willingness of distributors and retailers to effeciently comply with the law, and the effectiveness of market forces in acting to prevent industry-wide price mark-ups.

From the consumer perspective, industry should not simply pass along the entire cost of complying with the deposit law. A major goal of the legislation is to transfer costs which have been borne by consumers and municipalities back to the industry which profits from the use of one-way containers. Experience from other states, however, indicates that consumers are likely to absord most of the cost of industry compliance with a deposit law. Assuming that New Jersey industry transfers costs in the range of 80 to 100%, consumers could expect increased retail costs in the range of \$55.8 to \$69.8 million, or 39.8¢ to 49.8¢ per case.

These direct costs must be balanced against the indirect costs under the current system which would be reduced, and by cost-avoidance achieved through an increase in recycling and the use of refillables. In addition to direct consumer savings in reduced landfill and solid waste disposal expenses, other savings would be achieved in reduced environmental damage, (61), agriculture costs, (62) health care, (63), and the incalculable benefits of a clean landscape.

4.9.0 Impact on Beverage Distributors and Retail Stores

It is clear that adoption of a deposit law creates increased costs and inconvenience for beverage distributors and retail stores. Distributors must revamp their delivery systems and develop ways to dispose of, or reuse returned containers. Retailers must accept additional burdens of handling and storing returned containers.

However, the experience of industry in deposit law states has been characterized by relatively smooth transition periods with few, if any, reoccurring problems. (See Sections 4.5.0 Sanitation, 4.7.0 Sales, and 4.8.0 Cost). In some instances, efforts on the part of distributors to avoid strict compliance with the law, or to use the bottle bill as an excuse for sharp price increases has caused friction with retailers and consumers. But, for the most part, such problems have disappeared after a short transition period. Industry members, in fact, have commented on the success of distributors and retailers in complying with deposit laws.

"Every major public official agrees that the bottle law program is working."

Robert Malito
New York Beer Wholesalers Association (64)

"I can be as outrageous as I want about the bottle bill because I'm right. It's right for the consumer and it's right for my business."

William P. Drake, President
Stewarts Ice Cream Co.
New York and Massachusetts (65)

"We're telling the truth in these states. Don't let anyone kid you. The Oregon Bottle Bill is working"

Billboards paid for by Plaid Pantry
Stores, an Oregon food store chain. (66)

"I can't knock the bottle law. The only reason I get up at six o'clock in the morning and come to work is to make money and I'm making more money now than every before."

Lee Kilburn
Vermont Coca-Cola distributor (67)

"Our prices pre-bottle bill and post-bottle bill are virtually the same."

Donald J. Down, Vice President
Coca-Cola of New England (68)

"Glenn Alberich, general counsel to the Massachusetts' Wholesales of Malt Beverages, acknowledges that beer prices did rise sharply in reponse to the bottle deposit law. But he says there has been a dramatic increase in price discounts as beer wholesalers assessed their costs better."

Boston Globe (69)

5.0 Public Opinion

Bottle Bill's enjoy broad public support in every deposit law state. See Chart No. 5 The depth of this support is indicated by the fact that no Bottle Bill state has ever repealed its deposit law, despite persistant industry efforts to do so. In the two states where repeal initiatives were placed on the ballot, Massachusetts and Maine, the proposals were defeated by margins of 59.2% to 40.8% and 84% to 16%, respectively.

5.0.1 Public Opinion in New Jersey

NJPIRG conducted a poll of 498 New Jersey residents of voting age on December 4 to 7, 1984. Poll questions and design were independently reviewed by Dr. Charles S. Keeter, Department of Political Science, Rutgers University. Respondents were identified using a randomly generated telephone sample which achieved a confidence interval of $\pm 4\%$.

The poll found that 70.5% of New Jerseyans are aware of container deposit legislation. Of this group, 82.3% indicated their support for the proposal. As a percentage of the overall population, 54% were found to be in favor, 11.6% opposed, and 29.5% unaware of the proposal. Additional findings on attached pages 37 and 38.

Chart No. 5 - Public Opinion in Bottle Bill States

| <u>State</u> | <u>Level of Public Support</u> |
|----------------------------|--------------------------------|
| Oregon ¹ | 91% |
| Connecticut ² | 64% |
| Michigan ³ | 78% |
| Iowa ⁴ | 56% |
| Vermont ⁵ | 97% |
| Massachusetts ⁶ | 59% |
| Maine ⁷ | 84% |
| New York City ⁸ | 80% |

Sources:

1. Can & Bottle Bills, the California Public Interest Research Group and Stanford Environmental Law Society, 1981
2. Ibid.
3. Ibid.
4. Ibid.
5. A poll conducted by U.S. Representative James Jeffords, printed in The Vermont Standard, April 30, 1981.
6. Results of repeal referendum. 1983
7. Results of repeal referendum.
8. Poll conducted the byt Fund for the City of New York.

6.0 Conclusion

Assembly Bill No. 2606, "An Act Concerning Beverage Containers," contains the following provisions:

1. It requires the imposition of a 10¢ refundable deposit on containers used in the sale of carbonated beverages.
2. It requires retailers to accept all returned containers of the same brand, kind and brand sold at that place of business.
3. It requires beverage distributors to pick up all containers of the same brand, kind and size which they sell within their sales region, and to pay retailers and redemption centers a 1.5% per container handling fee.
4. It allows retailers to reject for redemption containers which are unclean or broken.
5. It prohibits the use of containers which employ "pull tabs" which are detachable and requires that container connectors be manufactured from biodegradable material.
6. It allows for the establishment of redemption centers, but does not exempt retail stores near such centers from redeeming used containers.
7. It provides for a tax of \$0.0002 per container on distributors for the purpose of funding administration and enforcement of the deposit law.
8. It provides for penalties for violations of the law.
9. It allocates \$100,000 from the General Fund to fund initial enforcement programs, but requires repayment to the state from tax revenues.

In summary, A 2606 will have the following impact on the state of New Jersey if adopted. It would,

- * significantly reduce levels of beverage container litter,
- * reduce levels of municipal solid waste and produce monetary savings for government and taxpayers,
- * significantly increase levels of recycling of glass, aluminum and plastic beverage containers.
- * achieve savings of water and energy use, reduce consumption of non-renewable resources, and achieve reductions in water and air pollution,
- * reduce threats to health and safety caused by container debris,
- * help promote tourism and increase general wellbeing by creating a cleaner and more appealing environment,
- * have no impact on sanitation problems in retail establishments,
- * marginally affect an already troubled container manufacturing industry,
- * have a limited and soon corrected impact on beverage sales,
- * bring about a slight, but not certain, rise in prices.

In two important respects, A 2606 is a stronger bill than those passed in most deposit law states. First, the bill requires the imposition of a 10¢ deposit, compared to 5¢ deposits in most Bottle Bill states. The higher deposit will all most certainly produce higher rates of return, thus improving the effectiveness of the law. Secondly, the bill establishes an industry-funded enforcement fund. This is a substantial improvement over the experience of other states, where enforcement of the law has been an additional burden placed on state agencies with no commesurate increase in resources. Among other advantages, resources from the fund may be used to collect data on the effectiveness of the bill, information which will be highly useful for other states considering deposit legislation.

For these reasons, the New Jersey Public Interest Research Group strongly recommends adoption of A 2606, the Can & Bottle Bill.

NEW JERSEY PUBLIC INTEREST RESEARCH GROUP
 Can & Bottle Bill Poll Results

QUESTIONS

1. "Are you aware of a proposal being considered by the state which would put a refundable deposit on soft drink and beer containers, sometimes called 'the Bottle Bill?'"

41x

RESPONSES

 AWAREBOT ARE YOU AWARE OF BOTTLE BILL PROPOSAL

| VALUE LABEL | VALUE | FREQUENCY | PERCENT | VALID PERCENT | CUM PERCENT |
|-------------|-------|---------------|---------|---------------|-------------|
| NO | 1 | 143 | 28.7 | 29.5 | 29.5 |
| YES | 3 | 341 | 68.5 | 70.5 | 100.0 |
| | . | 3 | .6 | MISSING | |
| DONT KNOW | 2 | 11 | 2.2 | MISSING | |
| | | ----- | ----- | | |
| | TOTAL | 498 | 100.0 | 100.0 | |
| VALID CASES | 484 | MISSING CASES | 14 | | |

 BOTOPIN DO YOU SUPPORT OR OPPOSE THE BOTTLE BILL

2. "Do you support or oppose the 'Bottle Bill?'"

| VALUE LABEL | VALUE | FREQUENCY | PERCENT | VALID PERCENT | CUM PERCENT |
|-------------|-------|---------------|---------|---------------|-------------|
| SUPPORT | 1 | 289 | 54.0 | 82.3 | 82.3 |
| OPPOSE | 2 | 58 | 11.6 | 17.7 | 100.0 |
| | . | 3 | .6 | MISSING | |
| NOT AWARE | 0 | 147 | 29.5 | MISSING | |
| DONT KNOW | 3 | 21 | 4.2 | MISSING | |
| | | ----- | ----- | | |
| | TOTAL | 498 | 100.0 | 100.0 | |
| VALID CASES | 327 | MISSING CASES | 171 | | |

NEW JERSEY PUBLIC INTEREST RESEARCH GROUP
 Can & Bottle Bill Poll Results 1/22/85

SUPREASN WHY DO YOU SUPPORT THE BOTTLE BILL

4. "What is the major reason for your support?"

| VALUE LABEL | VALUE | FREQUENCY | PERCENT | VALID PERCENT | CUM PERCENT |
|---------------------|-------|---------------|---------|---------------|-------------|
| LITTER CONTROL | 1 | 155 | 31.1 | 56.8 | 56.8 |
| RECYCLING | 2 | 49 | 9.8 | 17.9 | 74.7 |
| SOLIDWASTE-LANDFILL | 3 | 10 | 2.0 | 3.7 | 78.4 |
| MATERIAL-ENRGY SAVE | 4 | 8 | 1.2 | 2.2 | 80.6 |
| DONT KNOW | 5 | 23 | 4.6 | 8.4 | 89.0 |
| OTHER | 6 | 29 | 5.8 | 10.6 | 99.6 |
| | 8 | 1 | .2 | .4 | 100.0 |
| | . | 3 | .6 | MISSING | |
| NO RESPONSE | 0 | 222 | 44.6 | MISSING | |
| TOTAL | | 498 | 100.0 | 100.0 | |
| VALID CASES | 273 | MISSING CASES | 225 | | |

42x

OPPREASN WHY DO YOU OPPOSE THE BOTTLE BILL

5. "What is the major reason for your opposition?"

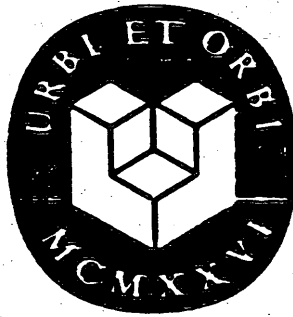
| VALUE LABEL | VALUE | FREQUENCY | PERCENT | VALID PERCENT | CUM PERCENT |
|----------------|-------|---------------|---------|---------------|-------------|
| INCONVENIENCE | 1 | 22 | 4.4 | 40.7 | 40.7 |
| DOESNT WORK | 2 | 5 | 1.0 | 9.3 | 50.0 |
| STORE PROBLEMS | 3 | 8 | 1.2 | 11.1 | 61.1 |
| CONSUMER COST | 4 | 8 | 1.2 | 11.1 | 72.2 |
| GLASS INDUSTRY | 5 | 1 | .2 | 1.9 | 74.1 |
| NEW YORK | 6 | 5 | 1.0 | 9.3 | 83.3 |
| DONT KNOW | 7 | 1 | .2 | 1.9 | 85.2 |
| OTHER | 8 | 8 | 1.6 | 14.8 | 100.0 |
| | . | 3 | .6 | MISSING | |
| NO RESPONSE | 0 | 441 | 88.6 | MISSING | |
| TOTAL | | 498 | 100.0 | 100.0 | |
| VALID CASES | 54 | MISSING CASES | 444 | | |

Notes:

1. William K. Shireman, Can and Bottle Bills, California Public Interest Research Group and Stanford Environmental Law Society, 1981 pg. 25
2. Shireman, pg. 26.
3. Shireman, pg. 26
4. Press release from the Office of the Mayor of New York City, September 12, 1984 referring to a survey done by the Fund for the City of New York.
5. Ibid
6. New York State Returnable Container Act: A Preliminary Study, Center for Management Analysis, School of Business and Public Administration, Long Island University, 1984, pg. 44 (hereinafter referred to as "LIU Study")
7. Ibid, pg. 45
8. Mandatory Deposit Legislation: Benefits and Costs for New York, The Executive Office of Development Planning, June 1982, pg. 7 (hereinafter "The New York Report").
9. Ibid, pg. 7.
10. The Sunday Star Ledger, January 27, 1985, "EPU expects garbage fees to double or triple in 5 years," pg. 1
11. Ibid
12. Recycling in the 1980's: Progress Report and Program Recommendations, New Jersey Departments of Energy and Environmental Protection, October 1984, pg. 3 (hereinafter referred to as "Recycling in the 1980's")
13. Eileen Murphy, Can Mandatory Deposit Legislation Help to Alleviate New Jersey's Landfill Space Problem? Unpublished paper, November 27, 1984, pg. 17. (Based on methodology developed by High O'Neil, Office of the Governor, State of New York).
14. Telephone conversation with Frank Sudol, Department of Engineering, City of Newark, January 2], 1984.
15. Study prepared by the Newark Department of Engineering based on data provided by the Aluminum Company of America.
16. Ibid
17. Industry publication, Alcoa's Current Position on Deposit Legislation, quoted in, Bottles and Cans: The Story of the Vermont Deposit Law, The Vermont Natural Resources Council, pg. 12.
18. Telephone conversation with Mr. Chaz Miller, Office of Solid Waste, U.S. Environmental Protection Agency, November 8, 1984.
19. Ibid
20. LIU Study, pg. 35
21. Ibid
22. "PET Plastics Recycling: The Ryder Conference," Resource Recycling, March/April 1984, pg. 20
23. Recycling in the 1980's, September 1980, pg. 11
24. Ibid
25. Recycling in the 1980's, October 1984, pg. 13
26. Ibid
27. Ibid
28. "The Ryder Conference," Resource Recycling, March/April, 1984, pg. 21

29. Shireman, pg. 35
30. Ibid
31. Ibid
32. Bruce M. Hannon, "Bottles, Cans, Energy" Environment, Vo.14, No. 2, pg.11, March, 1972
33. Ibid
34. Ibid
35. States Experience with Beverage Container Deposit Laws Shows Positive Benefits, Report by the Comptroller General of the United States, U.S. General Accounting Office, December 11, 1980, pg. 45
36. The LIU Study, pg. 47
37. James Jeffords and Donald Webster, Vermont 5¢ Deposit: A Report on Vermont's Experience with beverage container deposit legislation over a four year period, 1977, pg. 30
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43. "Glass Packaging Institute Reviews its Programs for the Container Industry," Glass Industry, February 1984, pg. 14
44. "What it Will Take to Turn Around the Glass Industry," Glass Industry, July 1984, pg. 24
45. "Good News and Bad News in the Glass Business: A Smaller, Wiser Industry Fights Back," Beverage Industry, November 1984, pg. 17
46. U.S. Industrial Outlook 1984, The U.S. Department of Commerce, pg. 6
47. The New York Report, pg. 13
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50. The New York Report, pg. 19
51. G. Oliver Koppell, "Inconspicuous Consumption: A Look at New York's Bottle Bill and the experience of six states which have enacted returnable container legislation," April 1981, pg. 2
52. Shireman, pg. 70
51. Memorandum from Sherry Koehler of the New York City Department of Sanitation to Albert Muench, Associate Economist of the New York State Department of Environmental Conservation, December 5, 1983
52. "The Bottle Bill: Everything you always wanted in a bill... and less," New Jersey Reporter, September 1982
53. Ibid
54. The present bills pending before the New Jersey legislature, A.2606 and s.2247, mandate the payment of a 1.5¢ handling fee to the retailer on each empty container redeemed by the distributor.

55. New Jersey Reporter, September 1982
56. Derived from data presented in the GAO Report, pg. 49
57. The New York Report, pg. 31
58. "Resolve: Streamlining Your Returnable Beverage Container Handling Program," the Miller Brewing Company, 1978
59. "Bottles, Cans, Energy," Environment March, 1972
60. Bottles and Cans, The Vermont Natural Resources Council
61. According to the League of American Wheelmen, bicyclists spend \$185 million annually to replace flat tires caused by broken beverage containers.
62. A study performed by the University of Pennsylvania found the 904,387 hours of farm labor were needed to clean up litter on Pennsylvania farms at a cost to farmers of \$938 per farm. 80% of surveyed farmers said that cans and bottles were their worst litter problem.
63. It is estimated that littered beverage containers result in injuries costing \$10 million annually in health care, Shireman.
64. Compiled by Environmental Action, Washington D.C.
65. Ibid
66. From photo of billboard in flyer produced by Maine Citizen for Returnable Containers
67. Environmental Action
68. Ibid
69. Ibid



LONG ISLAND UNIVERSITY

**NEW YORK STATE
RETURNABLE CONTAINER ACT:
A PRELIMINARY STUDY**

Prepared by:

**Center for Management Analysis
School of Business and Public Administration
Long Island University**

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EXECUTIVE SUMMARY

The New York State Returnable Container Act had been in effect less than 3/4 of a year when the L.I.U. Center for Management Analysis began to study the impact that this law has had upon the State of New York and its various component parts. In retrospect, the study was both ambitious and reasonably successful. In June of 1984, prior to beginning it's work, the L.I.U. Center for Management Analysis presented it's proposed research outline to members of the Rockefeller Institute study team for review and comment. Their reactions and encouragement were instrumental in the efforts we subsequently undertook. In addition to calling for background work on legislative intent and comparative analysis involving other states with similar laws, the outline presented to the Rockefeller Study Team posed the following questions.

. How has container reduction and recycling, as an industry, evolved since the passage of this law?

. What effect has the implementation of this law (under its existing configuration) had upon the economy of the state of New York?

. What indicators for future policy refinement can be found in the New York State experience thus far?

Our methodology was fairly consistent with that which was presented for their review-at that time and included:

- a) focus limited to a single industry in the container law-specifically the beer industry.
- b) Interviews, visits and standardized questionnaires to obtain statistical data from entities within that industry - specifically, beer wholesalers.
- c) contact with researchers from other states having similar laws, and with government officials from New York State.

d) analysis of state-wide data concerning the impact of the implementation of the Container Deposit Law in New York State in terms of the beer industry itself, the consumer and the state's economy and environment.

Given the complexities surrounding the implementation of this law, and the time constraints under which this research was performed, certain observations can and will be made here and elaborated upon in the full report. They are then here offered in brief for your consideration.

• Environmental Impact

In terms of the law itself, its intent from an environmental standpoint is clear, generally understood, and has been achieved with a reasonable degree of success during the first year since the law came into effect. Specifically, initial evidence indicates that beverage container litter on the state's highways and streets will probably decline as much as 30 percent saving the taxpayer approximately \$50 million annually.

The volume of solid waste tonnage expected to be saved in New York State due to the mandatory deposit aspects of the Act should comfortably exceed 650,000 tons a year saving the taxpayer an additional \$19 million a year.

Energy savings due to the increased use of reuseable containers and the recycling of beverage containers should also approach the estimated savings previously reported for the state of between \$50 and \$100 million a year. Finally, water consumption within the state should decline saving this valuable resource for other needed purposes while air quality standards in the state should be enhanced through the increased recycling of one way bottles and cans.

• Consumer Impact

With regard to price increases, a product of market forces and consumer behavior as opposed to being mandates by the law, the study found them to be less dire than depicted by the popular press, and understandable within the content of the first operational year of the Container Deposit Law.

In terms of specifics, retail beer prices within the state have risen at least 11 percent in some stores with a probable average growth in most retail establishments of up to 18 percent. A major part of this price rise -- over half -- can be attributed to the general tide of inflation in terms of its impact on the price of beer ingredients and price increases imposed by brewers. The remaining portion of the increase -- slightly less than half -- reflects mandated costs imposed by the Act itself which the consumer has been forced to pay in terms of achieving the goals of the statute.

This overall growth in prices has in turn led the New York State beer consumer to cut their purchases by approximately 6 percent over the past year. Any further growth in prices is likely to lead to further cuts in beer consumption levels.

• Beer Industry Impact

Based on the provisions of the Returnable Container Act, it is altogether understandable that initial skepticism was voiced by the New York State Beer Wholesalers. Why? Because successfully enacting provisions of the Act required them to incur substantial economic risks and costs in response to the mandates of the law. Fundamental to undertaking these risks and incurring these costs was the assumption that the current mandates of the law would remain consistent for a period of time coterminous with the pay-back period of investments made to facilitate the container reduction and collection process. A major consideration for them was the uncertainties of the then-unknown level of unredeemed deposits as an economic incentive to create and operate container reduction facilities across the state. With only origination of the container deposit to provide them with the needed flow of funds, the Beer wholesalers have, however, over the past year, assembled an infrastructure that represents the cutting edge of realistic resource recovery in New York State.

A price, however, has been paid by the wholesalers for this remarkable achievement. "Transshipping" of beer and ale products has substantially grown within the state causing some wholesalers to loose a portion of their market and thus undermining their financial soundness. In addition, the use of unredeemed deposits as an economic incentive to fulfill the Act's requirements has been also undermined by the Internal Revenue Service who now considers them as income--fully taxable.

Beer Container Redemption Rates

In terms of beer container redemption rates, redemption levels over the ten month period of L.I.U.'s survey have been improving with the last four months of the study -- March through June 1984 -- averaging almost 86 percent in terms of the study's respondents. This redemption rate compares to a 78+ percent average for the overall ten month period of the survey.

These redemption rates are consistent with the estimates originally considered to be "highly effective in reducing litter and solid waste" in a report developed under the aegis of former Governor Carey prior to the passage of the "bottle bill". The unredeemed portion in turn has been utilized by the beer wholesalers for necessary capital expenditures required to comply with provisions of the bill.

Economic Impact

In terms of the broadly defined economic impact of the Act on a State-wide level, it is clear that new unskilled and skilled jobs have been created, investments in plant and equipment have been made and new financial flows have begun that have a positive impact upon the state of New York.

Specifically, over 3,800 new skilled and unskilled jobs can be directly attributed to the Act's requirements. As a result, the state's economy has been boosted by about \$31 million annually. In addition, about \$40 million have been invested by beer wholesalers in twelve container processing centers in the state. This capital investment level does not include the substantial capital costs wholesalers have also incurred in expanding their distribution operations to effectively meet the Act's other requirements.

Generally, it is very apparent--echoing a comment recently made by NYS Department of Environmental Conservation Commissioner Henry Williams--that "the law is working well and is accomplishing its goals."



STATE OF NEW JERSEY
DEPARTMENT OF ENVIRONMENTAL PROTECTION
ROBERT E. HUGHEY, COMMISSIONER
CN 402
TRENTON, N.J. 08625
609 - 292 - 2885

February 1, 1985

Honorable Robert P. Hollenbeck
Assemblyman, District 36
104 Midland Avenue
Garfield, New Jersey 07206

Dear Bob:

Bob, the Department does not intend to offer any testimony at this point on the Bottle Bill on February 5.

As you know, we have not made the legislation our key priority with regard to solid waste, preferring instead to concentrate last year on A-1778 and this year on statewide mandatory recycling. We have agreed with the environmental community to keep current on the subject as the legislative debate continues. In a recent meeting with environmental leaders, Governor Kean did ask that some method of dealing with the economic impacts on areas such as Cumberland county be addressed in any deposit legislation. One such method would be to explore the possibility of designating Cumberland as the county for new industries developed as a result of the legislation.

We appreciate the opportunity to comment and look forward to working with you.

Sincerely,



New Jersey Senate

TRENTON

STATEMENT

OF

Senator Frank Pallone, Jr.

DISTRICT 11

ON

Senate Bill Number 2247 and Assembly Bill Number 2606

Since the State of Oregon enacted deposit legislation in 1972, so-called "bottle bills" and litter control proposals have provoked a lively debate in the State of New Jersey. The bottle bill controversy in this State and across the nation has produced copious studies, reports, white papers, and articles, which collectively contain more than enough information on which to base an informed judgement on the advantages of beverage container deposit legislation over litter control proposals.

Simply stated, the opponents of deposit legislation say that the best way to reduce the incidence of litter is to implement a system of "total litter control," or the imposition of a so-called "litter tax." They maintain that beverage container deposit legislation would not adequately address this blight on New Jersey's landscape. I must respectfully disagree. Please allow me to present my views on this matter, which I have summarized below as follows:

Impact on Litter Reduction

Both proponents and opponents alike agree that some litter reduction would occur upon the enactment of beverage container deposit legislation, but strongly disagree regarding the extent of that reduction. Estimates have ranged as low as ten percent and as high as sixty percent.

The General Accounting Office, in a 1977 study of the impact of a national beverage container deposit law, concluded that a federal "bottle bill" law would result in an 80-90% reduction in beverage container litter along roadsides and in public recreation areas. Since the nine states with deposit laws have reported 85-95% rates of return on beverage containers, the GAO estimate appears to be reasonable.

However, estimates of the percent of total highway litter attributable to beverage containers vary, ranging from a low of 18%, by volume, to a high of 60%. Thus, any final calculation of litter reduction is, at best, imprecise. In general, states with deposit laws have estimated that litter has been reduced by approximately 30-40% in volume.

Perhaps more important than the actual percentage reduction, which is in dispute, is a consideration of the type of litter beverage containers represent. They are among the least degradable components in the litter stream and the most visible.

Clearly, the enactment of S-2247 (identical to A-2606) would reduce the amount of litter along our highways and in our beaches and parks. These declines are particularly important where recreation space is involved. Beverage container glass litter, in particular, has made many New Jersey urban recreation areas virtually unusable. In rural areas, notably in South Jersey, many farmers have experienced injuries to livestock and damage to equipment because of beverage container littering.

Both proponents and opponents alike agree that litter in New Jersey is the work of a small minority of uncaring and irresponsible individuals. However, I cannot share the belief of the opponents of a bottle bill who maintain that a deposit law would tax and inconvenience the majority of our citizens. On the contrary, the beverage container deposit legislation which I have introduced would impose a refundable deposit of \$2.40 on the discretionary purchase of a case of beer or soda, not a tax. Moreover, this legislation would ensure that this thoughtless and insensitive minority - no more than 5-15% of all consumers under a deposit law - who would continue to carelessly discard their empties would inflict this economic sanction upon themselves.

The Litter Tax

In my estimation, a so-called "litter tax" is more a diversionary tactic on the part of the beverage container manufacturing industry to divert the public's support from a deposit law than a litter control measure. In all candor, I feel that the concept of total litter control as represented by the proponents of litter taxes is a myth.

According to a recent study commissioned by the Ohio Department of Natural Resources, that state's \$24 million investment in litter control, which was implemented in 1982, has had no significant effect on the roadside litter problem. Ohio's litter control program is funded by a special tax on companies manufacturing litter-generating products. The Ohio program is considered to be one of the best in the nation in terms of both funding and commitment. Nevertheless, despite the \$10 million a year in litter tax revenues utilized to abate and control Ohio's litter, the study concluded that there was "no statistically significant difference in the overall litter item count per mile..." between the year prior to and the year following the enactment of the litter tax. Given this evaluation, the cost-benefit of large scale tax programs for litter cleanup is very questionable.

In the State of Washington, which has had a litter tax since 1971, citizens dissatisfied with their still littered landscape continue to urge the enactment of a deposit law and

have managed to force a referendum on the issue at three separate elections, only to be defeated by heavily industry-financed media campaigns. Industry-sponsored litter surveys pointing to the alleged success of that state's anti-litter program are consistently offset by other surveys drawing opposite conclusions. The beverage industry has invested immense sums to salvage Washington State's litter tax. It has been variously reported that it spent an estimated \$1.5 million to defeat the most recent deposit law referendum in 1982. Under these circumstances, the very nature of the litter tax proponents' "commitment" to litter control seems to me misplaced.

Accordingly, I agree with the proponents of beverage container deposit legislation that a litter tax is inefficient, inequitable and regressive. The taxation of such items as clothing, housewares and most canned and processed foods - the containers and packaging of which are rarely found in the litter stream - truly penalizes all consumers while providing no economic disincentives to littering. Moreover, a litter control program funded through the taxation of these alleged "litter-generating" items is no more than a thinly-veiled license to litter at the expense of all taxpayers.

Impact on the Solid Waste Stream

Nine states - Connecticut, Oregon, Vermont, Michigan, Iowa, Maine, Delaware, New York, and Massachusetts - currently have mandatory container deposit laws on the statute books. Although each of these deposit and refund programs has its own characteristics, the rate of return in each state has been quite consistent. Various studies have shown that consumers in deposit law states return between 85-95% of their bottles and cans for refund. A beverage container deposit law in this State would reduce the amount of solid waste entering New Jersey's overburdened landfills by about 5%. Assuming a 90% rate of return, the removal of these containers from the waste stream through a "bottle bill" could result in approximately 275,000 tons per year in landfill capacity savings. Moreover, assuming that approximately \$300 million is spent per year on garbage disposal, this legislation would save approximately \$15 million per year in landfilling costs.

The removal of glass and aluminum beverage containers would also improve the combustion efficiency of proposed resource recovery facilities. Since these reusable materials have a higher resource value if they are reprocessed through a deposit law rather than incinerated as garbage, their removal from the solid waste stream will improve the energy content (i.e., heat value in Btu) of the remaining processible solid waste. The removal of these containers would also substantially reduce the emissions of toxic organic substances, heavy metals, and acid gases from resource recovery incinerators. Considering the State's enormous solid waste problems - both the escalating costs of garbage disposal and the rapidly diminishing available landfill space - proven

waste reduction proposals of the magnitude anticipated under a deposit law must be given the highest priority by the Legislature.

In light of the foregoing, I hope that my colleagues in both houses of the Legislature will join with Assemblyman Hollenbeck and me in supporting the expeditious enactment of S-2247/A-2606 in order to provide the citizens of this State with a proven mechanism for litter abatement and litter and waste stream reduction.



**New Jersey
Business & Industry
Association**

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STATEMENT

of the

NEW JERSEY BUSINESS AND INDUSTRY ASSOCIATION

to the

ASSEMBLY COMMITTEE ON AGRICULTURE AND ENVIRONMENT

on

A-2606

"An Act concerning beverage containers"

February 5, 1985

TO: Assembly Committee on Agriculture and Environment

FROM: Bruce G. Coe, President, New Jersey Business and Industry Association

Mr. Chairman and Members of the Committee, on behalf of New Jersey Business and Industry Association, we appreciate this opportunity to present our views with regard to "mandatory deposit" legislation. We believe this 10-cent deposit proposal, even allowing for inflation, is twice as objectionable as last year's 5-cent proposal.

This legislation is of particular concern to us since NJBIA's members employ thousands of workers who would be hurt by such a system. We are proud to say that glass, can, and other beverage container industries as well as retailers, recyclers and restaurateurs, both large and small, are among the 11,000 BIA members.

Since 1969 more than 2,000 separate pieces of legislation affecting beverage containers have been introduced in virtually every state in the nation. Our legislative files indicate that we addressed New Jersey proposals of this type as far back as 1974 and now, as then, we oppose such initiatives. We do believe, however, that the advent of the "State Recycling Act" (Chapter 278 of the Laws of New Jersey, 1981) places our objections on even firmer ground today than a decade ago, when little or no effort was being made to control the proliferation of waste in New Jersey.

It is clear that the focus of this proposal is the abatement of litter and yet, it is estimated that only 20 to 30 percent of the total generated would be touched by deposit legislation, while the remaining 70 or more percent would be unaddressed. On the other hand, the State Recycling Program already in place appears to be working. Since it was implemented, the recycling of glass and aluminum--including beverage containers--has become more than a local civic club's project.

The New Jersey Legislature should carefully examine Governor Kean's recent proposal for a comprehensive mandatory recycling program. The shortage of landfill space is a critical issue that needs to be addressed in a comprehensive program. New Jersey employers favor a system that addresses the total problem and oppose a scattershot solution that misses the mark.

A WOR-TV poll in 1984 indicated that 98 percent of its viewers opposed a mandatory deposit solution to our litter problems. It would appear that consumers join with the industrial, business and labor community in opposing these efforts. In the majority of states where the voters have addressed referenda on this issue, it has been overwhelmingly defeated. There is nothing to indicate that New Jersey citizens feel otherwise.

Our greatest concern with mandatory deposit legislation is, of course, the effect that it will have on New Jersey's economy. Thousands of people are directly employed in the manufacture of beverage containers in this State. New York's forced deposit law has already contributed to increased unemployment and plant closings in New Jersey's glass industry.

Estimates from the container industry indicate that, even in the case of the "returnable, but not refillable" proposal, some 400 jobs may be lost.

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

Thank you for your consideration of our views.

TESTIMONY

**JOHN J. GARRITY, EXECUTIVE DIRECTOR
BEER WHOLESALERS' ASSOCIATION OF NEW JERSEY
IN OPPOSITION TO FORCED CONTAINER
DEPOSIT BILLS**

AGRICULTURE AND ENVIRONMENT COMMITTEE

**State House Annex
Room 114**

February 5, 1985

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

These bills address soft drink and beer containers only. In other words, they speak to only 20% of the total visible litter. Ninety-three percent of all beer and soft drinks are consumed in the homes, private property and sports arenas. They are disposed of properly. What we see as litter is less than 1% of the containers sold and is the work of uncaring, irresponsible and uncouth individuals who have no regard for the public property or the private property of others. They are a small minority, yet the damage they do is very visible. This legislation would tax and inconvenience the majority of good citizens who dispose of trash and beverage containers responsibly. This legislation would require them to lay out money for deposits - 60¢ for a six pack or \$2.40 a case of 24 beer or soft drink cans or bottles. Experience in other states has shown that the price of these beverages have been increased to cover the additional handling costs by 30¢ - 40¢ per six pack or \$1.20 - \$1.60 per case. Add the inconvenience

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of having to find suitable carriers to transport them back to the stores and having to wait while they are checked by a clerk.

Vermin collects in the empty containers. They are stored in places around the home, garages, basements, closets, etc. until ready to be returned. They are breeding places for all sorts of insects. These vermin infested containers are then brought back from all types of areas to the place where people buy their other food items. Controlling vermin in empty food containers is a nightmare for exterminators.

The higher costs that occur must be passed on to consumers. Wholesalers need extra trucks to have room to haul the empty containers back from retailers. Now, they can send out a full truck. If this bill is enacted, they will have to leave in the morning with at least 25% to 30% of the truck empty to accommodate the empties returned from retailers as they make their deliveries. Delivery efficiency is destroyed, making for higher delivery costs. In some cases there is required a separate empty run to pick up empties. Retailers and wholesalers will have to add more storage space for the empty containers.

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

New Jersey should be extremely cautious about the loss of sales and tax revenue if these bills are enacted. We have a long border with Pennsylvania and Pennsylvania retailers of soft drinks and beer are easily accessible to New Jersey residents with a car.

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Currently some Pennsylvania beer and soft drinks come into New Jersey. This will be greatly accelerated if these bills are enacted. It would indeed be an unfortunate piece of legislation. Most of the proponents of this type of legislation see only one narrow aspect of the entire situation, the visible litter along the roads, parks and occasionally the can or bottle thrown on their own property. Given the choice, I'm sure the average Michigan citizen would rather pick up that stray bottle or can themselves than have to shell out his good money in higher prices, deposits and the inconvenience of holding and returning for redemption.

Much of the litter in parks and public areas is due to inadequate number of receptacles in the proximity to the activity of those using the public areas. There aren't enough receptacles and in some instances aren't emptied frequently enough. How often we see them overflowing, indicating that the vast majority do use them.

Penalties for littering are not enforced and are not stringent enough. More public education and pride in community is needed. When seen littering, persons should be told and warned, not by the police alone, but by all citizens. Too often we don't want to get involved. There may be a rebuff or an insult returned, but the litterer will be aware of being observed.

States that have adopted deposit legislation have found themselves in the situation of having to employ litter patrols to keep up the image of litter-free public areas. We find no fault with litter patrols, in fact, we applaud their use. It makes

4.

more sense from a cost standpoint to pay for litter patrols than to have to burden the public with deposits, higher costs, product sanitation problems, and the great inconvenience of the handling of empty unsanitary beverage containers and putting wholesalers and retailers in the junk business. The state of Washington is a good example of how well a program dealing with the total litter problem can work. Its litter has been reduced more effectively and at much lower cost than its neighboring state, Oregon. (55% cleaner in urban areas and 17% cleaner in rural areas). I'm sure the Washington plan is known to you. I recommend you give it serious consideration as a means of dealing with this problem in New Jersey.

Please do not be misled. Forced deposits means higher prices to consumers as much as 15-20%. Handling costs must be passed on to consumers. Breakage, and other losses are all on the consumer. These laws do not answer the problem. They deal with only 20% of the visible litter and the cost to do that is prohibitive.

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

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

Thank you.

SUPPORTING INFORMATION

"FORCED DEPOSITS - THEY AREN'T WORKING" -
Can Manufacturers Institute.

"BOTTLE BILL BULLETIN" - Can Manufacturers Institute.

"IS THE BOTTLE BILL SOLUTION GOING FLAT?" - A Nations
Business Reprint.

"DEPOSITS: A FAILURE" - H. Blair Smith, Reynolds Aluminum
Building Products Co.

"FORCED DEPOSITS: THE FACTS" - Virginia Beer Wholesalers
Association.

"MAYBE HE KNOWS SOMETHING YOU DON'T" - Senator Gaylord Nelson

NEW JERSEY DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

STATEMENT

ON ASSEMBLY BILL NO. 2606

BEVERAGE CONTAINER DEPOSIT BILL

FEBRUARY 5, 1985

The New Jersey Department of Commerce and Economic Development would like to take this opportunity to state clearly our position on the Beverage Container Deposit Bill, Assembly Bill No. 2606, that you are considering.

This piece of legislation is of specific interest to us because there is a direct impact upon the very goals that we are trying to achieve. These goals include the increase and maintenance of jobs in New Jersey. Our primary function is the attraction of new business and industry as well as the retention of those businesses already here. By accomplishing this task we will see continued employment for the citizens of New Jersey along with a robust economy stimulated by the growth of business. The bill before you today is the antithesis of these objectives.

New Jersey is the largest producer of beverage containers in the country. The industry sits in the southern portion of the state, one of our most economically troubled areas. It is no secret that the glass manufacturing industry has already been going through some difficult times. At the moment they are suffering from increased utility costs, over-capacity, and yes, even from bottle bills in other states. This is an important industry to us and we must be sensitive to its needs. In Cumberland County approximately 1 out of 6 workers is either employed by one of our glass plants or by a directly related industry. Can we really afford to enact a law that could result in the loss of their jobs?

This region of the state has already suffered some of the consequences from the industry's troubled conditions. The Owens-Illinois plant in Bridgeton had to lay off approximately 600 employees. If this legislation is implemented it could very well cause the additional loss of

400 to 2,000 jobs in the industry. In Michigan a deposit law went into affect in December of 1978. The following year Owens-Illinois had to lay off 265 people including 160 hourly jobs. The same situation occurred in Portland, Oregon. A loss of 127 employees in the industry was attributed to a bottle bill enacted there.

A massive loss of jobs in South Jersey would spell economic disaster for the area. We should be doing everything in our power to prevent such a scenario rather than considering one. Most of the unemployment will come from high paying skilled jobs. These are the type of jobs that we are encouraging and that are important to the individuals there. Losing these positions will not only devastate families, but will also hurt the state in general. Layoffs will cause an increase in unemployment compensation and welfare payments. And you must also consider that the Glass Container Industry pays over \$2 million in taxes.

The impact of these losses will also ripple through other closely related industries. Suppliers of sand, soda ash, lime, and corrugated boxes will feel some pain. Others hurt will be trucking companies and firms that repair bottle making machines. Is a law that simply assaults only a very small portion of our waste disposal and litter problems worth such enormous consequences?

We are all concerned with the growing dilemma of our waste disposal system and litter problem. There is indeed a consensus that this is a situation that must be remedied. But please remember that of all the roadside litter, bottles only account for 20 percent of it. A bottle bill would only reduce overall litter by about 11 percent. The New Jersey

Recycling Plan has an objective to recover and reuse 50 percent more glass than a deposit law could possible recover. Clearly, a deposit law is not needed when the recycling of all litter is being instituted rapidly throughout the state.

Keep in mind that glass and aluminum make up the most profitable portion of municipal recycling. The loss of beverage containers in the local programs could result in a 20 to 30 percent loss in revenues without a comparable drop in operating costs. This illustrates yet another important example of a constituency in our state that will be unfairly burdened by this measure.

A narrow and limited remedy to our solid waste problems, which will cost the state dearly, is not the logical route to take. A more comprehensive approach to this environmental challenge is what will serve New Jersey best.

The intent of the bottle bill is noble but the end does not justify the means.

Thank you.

LOUIS E SCHINDEL
496 Richmond Avenue
Maplewood NJ 07040
201-763-4411

2.4.85

Mr Hollenbeck and Members of the Assembly Agriculture and Environment Committee:

Thank you for the opportunity to be heard on a subject in which I have had vast experience. (Please see list CIVIC/PUBLIC INTEREST ACTIVITIES attached).

If I may corrupt a Mark Twain remark: "Everybody in New Jersey talks about recycling but nobody does nathing about it". This is especially true when Deposit Legislation is mentioned. For years there have been alibis as to why we should not have it !

As a member of the New Jersey Recycling Advisory Committee I wish this Committee to know that a minority statement asking for inclusion of Deposits was rejected by the Board when the Final Report was issued. Note, if you will, that the majority on the Board were industry and government representatives; the minority concerned citizens many with years of experience and participation in recycling. The majority was concerned about New Jersey industry, especially the glass industry. They failed to read the Annual Reports of the manufacturers. Many of them raved about increased volume of sales in PLASTICS (p¹ants not in New Jersey). We bought ---and continue to buy--- public relations baloney from industry. This must stop. Plant closings and cut-backs prove ^{the} glass industry is in a decline due to plastics and inroads by other forms of packaging. Let us march to the right drummer--the New Jersey taxpayer who pushes the levers at elections.

Recent headlines announce (AGAIN) the development of a New Jersey Mandatory Recycling Act. And AGAIN DEPOSITS are given the short end of the stick. Why is it that the MAJOR TOOL in public education to RECYCLE is not a cornerstone of the proposal? Why is it that the plastics industry is allowed until 1987 to develop systems to recycle their gunk while the NEW JERSEY CITIZEN is not given INCENTIVE---through deposits---to become part of the act? Incentive, privilege, cow-towing to industry---TAXPAYER BE DAMNED. THIS MUST STOP. When are we going to learn that the Pyramids were built from the base^{up}---ALL CITIZENS INCLUDED. When are we going to learn that PRIVILEGE in 1985 means ABUSE.????

Reports say that the new Mandatory Recycling Act will require plan review to provide space in buildings of 100 or more units for storage of recyclables. Why 100 units? Prowl through 5,000 buildings, as I have, and you will note the problem is more likely to occur in smaller structures. Why storage space in the first place? Give incentive, through DEPOSITS, and basements can be used for recreation space.

Miles and miles of public relations information and newspaper stories say that New Jersey has the most serious USED MATERIALS (the proper words for garbage, solid wastes, refuse etc etc) problem. And, of course, the releases (including those from the Office of Recycling) say we are solving the problem. Nonsense. We are solving only the needs of the paper industry by using excessive amounts of materials for hot air! It is time to deal with reality so the heritage for our children and grandchildren has adequate natural resources (recycled materials) for sustenance. The sands of time are running out and just as the sands of Africa are destroying people so our used materials can destroy us! If Africa, an agrarian society, the true solution ~~is~~ lies in the application of more, much more, human labor to the land. In New Jersey, an industrial society, the solution lies, VIA DEPOSIT LEGISLATION, in the application of more, much more, human labor to prevent our used materials from destroying our land, air and water.

I ask my legislators to bite the bullet; to endorse the participatory society, to give incentive to EACH OF US to clean up our own waste production and recycle it. Need demands action. We will be forced to separate increasing percentages of the USED MATERIALS STREAM. Deposits ~~is~~ is a much needed educational tool. Pass the legislation NOW.


Louis E Schindel

CIVIC/PUBLIC INTEREST ACTIVITIES

Maplewood environACTION Group, Inc.
New Jersey Solar Action
SUN DAY, Eagle Rock, West Orange
Youth Environmental Society
Coast Guard Salute to the DANMARK

A Founder, President
A Founder, Board
Director, 1978, 1979, 1980
Director
OP-SAIL, 1976

STATE OF NEW JERSEY

Noise Control Council
Clean Air Council

Recycling Advisory Committee
Ridesharing Work Committee

AWARDS

United States Environmental Protection Agency, Award of Merit, 1978
United Way of Essex and West Hudson, Community Service, 1980
New Jersey Recycling Forum, Municipal Program (environACTION, 1981)
Maplewood Civic Association, "Maple Leaf", 1983

MEMBERSHIPS

Association of New Jersey Environmental Commissioners (Trained, 1972)
American Society of Environmental Educators
Friends of Earth
Sierra Club
New Jersey Conservation Foundation
Maplewood League of Women Voters
New Jersey Environmental Collegium
Disabled American Veterans

MISCELLANEOUS

Maplewood Civic Association: Board, Citizens Budget Advisory Committee
Cub and Boy Scouts: Cubmaster, Troop Committee
Parent-Teacher Associations
First Unitarian-Universalist Church of Essex: Past President, Board
Optimist Club of Union
Township of Maplewood: Industrial Development Committee, Fourth of July,
Recycling Advisory Committee
Maplewood-South Orange Board of Education: Building Renovations Committee

EMPLOYMENT

Present: Specialist, Division of Housing, New Jersey Department of Community Affairs
Past : Supervisor, Department Store. Retailer. Manager of Cooperative, Real Estate
Broker.

PERSONAL

Lifelong resident of Essex County.
University of Virginia, University of Newark (Law), Rutgers (BA, 1973).
Lieutenant, United States Coast Guard Reserve (Ret.).
Mrs. Schindel: Administrative Nurse, Hospital Center at Orange.
Three Sons.

August, 1983

Phones
Home: (201) 763-4411
Office: (609) 292-7590

Honorable Robert P Hallenbeck
State House
Trenton, New Jersey 08625

21 Sunset Drive
Summit, N J 07901 F.Y.I
1985 January 31

Dear Sir: Re: Hearing on the Bottle Bill, Feb 5

Thanks for your help
via phone call

This letter is to elucidate the advantages of the economic approach rather than the usual procedural approach to the control of the environment. The basic idea is that the State should make it worth while economically to recycle bottles; it should then leave it to the recyclers to work out the best way of doing it.

You are undoubtedly aware of the great advantages which the so-called "forced deposit" laws have brought to the States which have enacted them. In Vermont, for example, roadside bottle litter disappeared as if by magic. The only bottles which now appear by the roadside in Vermont are New Hampshire bottles, which are still valueless. And the cost was only 5 cents per bottle. Contrast this effective clean-up with the previous ineffective signs threatening "\$50 fine for littering", or "\$200 fine for littering" or even "\$500 fine for littering." It appears that such threats are quite ineffective, when compared with the fact that you are going to lose 5 cents for sure if you don't take the bottle back to the recycling station. Even in these days of high inflation, people don't sprinkle nickels and dimes all over the landscape!

Unfortunately, however, the forced-deposit laws require the State to spell out procedures and subsidize collection expenses. The State's method of passing laws after lengthy public hearings, simply does not have the flexibility needed to meet the requirements of management action in the face of an uncertain future. It is better to leave such procedures to the recyclers themselves. If they are making a living out of recycling, you can be quite sure that they will leave no stone unturned to make the whole operation as simple and efficient as possible. In short, the State need only collect a "recycling fee" of a few cents per bottle at the time of manufacture, and make sure that only bottles which have paid the fee are used within the State.

This simple fee, easy to collect, and easy to administer, would put a great premium on re-usable bottles, like the familiar milk bottles. Each bottle would pay the fee only once, no matter how many times it was re-used. Thus there is an important advantage for conservation, and a partial solution of New Jersey's problem of how to dispose of the mountains of solid waste which now have nowhere to go. The principle is generally applicable to the recycling problem: make it worth while to recycle or reclaim waste materials, and the economic system will take care of doing the operation, without any further attention from the Law. In this way, we might be able to reduce to manageable proportions the great American habit of producing mountains of solid waste.

There is another important advantage: the recycling fee can be imposed gradually, giving time for people and organizations to accommodate to the new situation. For example, a ten-cent fee could be imposed at 2 cents a year for the next five years, thus avoiding the economic upsets which would result from too-sudden changes imposed on the system.

The attached sheet gives a few further details, but by no means all of the favorable consequences of the economic approach.

Copies to: Mark O Smith
Others

Very truly yours,
Robert M. Ryder
Robert M. Ryder, Vice Chairman
Summit Environmental Commission

The "Bottle Bill" is really a problem in economics; and therefore it is best dealt with by economics, and not by the politics of Government management. This note will attempt to show the best procedures.

What should be done is to collect a "recycling fee" at the time of manufacture, and to see that only bottles which have paid the recycling fee are allowed to be sold as beverage containers. That is all that the government needs to do to clean up like magic the litter which now results from throwaway bottles. Similarly, many other forms of litter and waste, such as old newspapers, could also be cleaned up by using the government's taxing power.

There is an old saying, that "the power to tax is the power to destroy. True -- but it seems not to have occurred to people that not only good things can be destroyed by taxing them: bad things too can be destroyed as well, by judicious taxation. Bottle litter is a good example.

Several states have already had good experience with "compulsory deposit" bottle laws. Notably in Vermont, the only bottles which are now found in roadside litter are New Hampshire bottles, since New Hampshire does not have a "bottle law." The fee necessary to accomplish this miracle is absurdly small -- 5 cents per bottle is enough to produce the magical improvement: no Vermont bottles now appear in roadside litter. Compare this miracle with the results of older police methods. Signs of "\$50 fine for littering" have been totally ineffective, and raising the fine to \$100 or even \$500 has not produced noticeable improvement. Why? It appears that even a large fine, and the great inconvenience which results from a lawsuit, are totally ineffective, when compared with the fact that you are going to lose 5 cents for sure for every bottle you throw away.

In other words, economic measures are a lot more effective, and also a lot less expensive, than police action. This economic approach merits being extended more widely.

American wastefulness, a hallmark of our prosperous economy, has arrived at an unbelievably high point; so high, in fact, that there is no place to put it on land, in New Jersey. The last dumps -- euphemistic-alloy called "sanitary landfills" -- will be closed up by law, in only a few years. Right now, the small city of Summit, New Jersey, has to dispose of 35 tons a day -- 250 tons a week -- 13,000 tons a year, of solid waste, at a cost of \$30 a ton. When the cost is estimated not for a single city, but for a state, or for the entire United States, the sheer cost is seen to be colossal, not to mention the waste of salvageable resources and energy.

From the point of view of economics, these materials are thrown away because they are economically valueless. Thus the thing for the government to do is to give them value; and this can be done easily, by taxing their replacements, with a "recycling fee" to cover the cost of the recycling. As we have just seen, a modest fee, of the order of a few cents per bottle, is sufficient to prevent bottles from being thrown away. By such means we could end for all time the ugly practice of making little containers, filling them up with a few cents' worth of colored water, using them once, and throwing them away -- an obscene exhibition of wastefulness.

A major advantage of the recycling fee is that it covers all causes of waste, not just a few. For example, it is a major defect of the "compulsory deposit" laws that they do not cover all the wastefulness involved. When bottles are collected at the recycling depot, they are customarily smashed in order to reduce transportation expense of the glass cullet back to the factory. However, if the recycling fee were raised somewhat -- perhaps to 10 cents per bottle -- it would become worthwhile to wash the bottles instead of smashing them, thus substantially reducing the wastage of energy involved in re-making them from cullet.

One of the beauties of the recycling fee is that the government need not concern itself with methods, laws, or legal details of just how the recycling means should be carried out. All those details are left to the economic system; and you may be sure, that if people are making their living from recycling, efficiently carried out, they would leave no stone unturned, to do it as efficiently as possible. In other words, the economic approach relieves the entire operation from the burden of government management, which is notoriously inefficient and wasteful of money and effort. All the government need do is to make it worth while economically to do the right thing, and the right thing will be done with maximum speed and efficiency. The government need not struggle with the difficult question of what is the right thing? All it need do is keep raising the recycling fee, until the throwaway bottles disappear.

It is sometimes urged that the recycling fee is an "unfair" burden on the customer; but I vigorously dispute that point. What is unfair about it? True, the customer has to pay a few cents more for each bottle; but that money goes exclusively to pay for recycling the bottles. All other costs will be eliminated, by competition. Think about it -- it is true. So why should the customer object, that a reasonable charge is made, which he has to pay, for recycling? Is it better, to encourage him to save a few cents, by throwing away the bottle, instead of recycling it properly? On the contrary, the recycling fee falls exclusively on the wasters who throw the bottles away, and not on those who recycle properly, as they should.

It is also argued, in these days when we are all depression-conscious that a recycling fee would be bad for New Jersey, which currently makes a great many of the 35,000,000 bottles a day which are thrown away in the U.S. In simplest terms, this argument says that New Jersey should be paid for making unnecessary garbage. It is also short-sighted, since glass is by all means the best material for recycling -- all you need do is wash it, rather than re-make it. This gives glass bottles a great advantage over aluminum or paper containers, which are much more wasteful when total social expense is considered. I therefore believe that a recycling fee would be socially good for the New Jersey glass industry, which would no longer be making so much garbage, and which might be actually doing more business, by avoiding the more wasteful aluminum and paper containers.

Of course, provision would need to be made for the transition of the glass industry from making huge quantities of garbage to making smaller quantities of more permanent, recyclable containers. The receipts from the recycling fees could be earmarked in part for easing the social difficulties, such as temporary unemployment of the glass workers or glass factories; but the social gain would still be great, of not wasting our resources as we do now. In other words, the tax would make conservation economically worth while.

Robert M. Ryder

NEW JERSEY CONVENIENCE
STORES ASSOCIATION, INC.

333 WEST STATE STREET, TRENTON, NEW JERSEY 08618

PHONE 609-394-5361

WARD WETTLIN
EXECUTIVE DIRECTOR

February 1, 1985

Hon. Robert P. Hollenbeck
Chairman, Assembly Agriculture
and Environment Committee
104 Midland Ave.
Garfield, NJ 07026

Dear Assemblyman Hollenbeck:

I am writing on behalf of the New Jersey Convenience Stores Association which represents hundreds of individually owned grocery stores, franchised markets and well-known chain outlets across the state.

I am sure you're aware of our Association's past opposition to mandatory beverage deposit legislation. That position remains unchanged today. In fact, our understanding of the damaging effects on small retailers of bottle bill laws in New York and other states leaves us even more strongly convinced that A-2606 is the wrong way for New Jersey to attack its litter problem.

Convenience store operators ask you to reject this legislation for the following reasons:

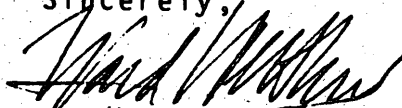
1. COST. Our customers will be forced to pay an additional 60¢ per six-pack of soda in cans or bottles.
2. COMPETITION. Neighborhood convenience stores can only compete against supermarkets by providing quick and convenient service. That advantage will be destroyed if customers are kept waiting while a lone counter clerk redeems, sorts and stacks empty bottles and cans. Some 40% of the 3.5 billion beverage containers purchased in New Jersey are sold in retail outlets other than supermarkets.
3. STORAGE. The average convenience store's back room storage capacity is less than half the size of a one-car garage. Profitable product lines will have to be dropped to make way for dirty bottles and cans.
4. SANITATION. The sugary residue in soda containers is a magnet for ants, flies and roaches. Their storage will

require almost continuous use of exterminating services. Such spraying is not only costly, but it raises a host of other health-related questions.

The members of our association live, work and raise their families in New Jersey. As a result, we are as concerned as anyone else about the problem of roadside litter. We don't believe, however, that A-2606, which would hurt both our customers and our businesses, is the right answer to this problem.

Instead, we, endorse Assemblyman Anthony Marsella's A-2003 and Senator James Hurley's S-2670, which would tax all litter-generating products and provide funds to clean up all litter--not just cans and bottles. We urge you to reject the bottle bill in favor of this more comprehensive approach to litter control.

Sincerely,



WARD WETTLIN
Executive Director

WW/c

cc: Members of Assembly Agriculture
& Environment Committee
Mark Smith, Committee Aide



DEC 17 REC'D

NJRMA

NEW JERSEY RETAIL MERCHANTS ASSOCIATION

24 WEST LAFAYETTE STREET, TRENTON, NEW JERSEY 08606-2002 Telephone 609/393-8006

December 14, 1984

Chairman of the Board
EDWARD GOLDBERG
Bamberger's

1st Vice Chairman
DAVID GABLE
J.C. Penney Co.

2nd Vice Chairman
JACK BERNSTEIN
Surprise Stores

3rd Vice Chairman
LESTER MORAN
Bloomingdale's

Treasurer
IRWIN VOGEL
Vogel's

Secretary
SAL GIAMMONA
Brodin Corner ServiStar, Inc.

President
LOIS B. DINSMORE

Ms. Ellie Gruber
League of Women Voters of N.J.
212 West State Street
Trenton, N.J. 08608

Dear Ellie:

On behalf of the members of the New Jersey Retail Merchants Association I am writing to inform you of our extreme opposition to A-2003, the "Litter Tax" bill.

Although the aim of this bill is noble, the results of similar legislation in most states that have had a "litter tax" are dubious at best. My members oppose this bill because of the environmental concerns such as: the "litter tax" does not address New Jersey's solid waste problem, the "litter tax" does not induce reduction in the litter stream and the "litter tax" does not provide any incentives to recycle. We also vehemently oppose this bill because of its unrealistic methods of reporting and compliance specific to the retail industry.

I point first to the ambiguity of the tax imposed. "The total tax liability of any manufacturer, wholesaler, distributor, or retailer pursuant to this section shall not exceed \$20,000." Should a national retailer with several stores in this state construe this to mean \$20,000 maximum? Or, would this apply to each separate retail location?

The second serious flaw concerns the identification of litter-generating products manufacturing location. I ask you to apply this to a general merchandiser with thousands of products. The identification process would be inconceivable.

I lastly point out that a monthly reporting made, considering the tasks and record-keeping involved, is extremely burdensome. The members of the New Jersey Retail Merchants Association do not close their eyes to the serious problem that confronts this state. We feel that this litter problem needs to be addressed.

Ms. Ellie Gruber
Page 2
December 14, 1984

In review of the proposals made and the results of other states, we lend our full support to S-2247 & A-2606, Senator Pallone's and Assemblyman Hollenbeck's Deposit Legislation which is the natural course to take in order to address the real problems New Jersey is facing. These bills, S-2247/A-2606, will effectively control the most irritating part of the litter problem, substantially increase recycling of important materials, and curb the solid waste crunch that we will continue to be faced with.

We urge your refusal of the "Litter Tax" (A-2003) as a substitute for a Deposit Legislation (S-2247), while fully supporting the latter as an effective means to control an ever mounting problem.

Sincerely,



Lois B. Dinsmore
President

LBD:jam



E. E. Fuller
Director, Government Relations
Packaging

American Can Company

American Lane
P.O. Box 3610
Greenwich, Connecticut 06836-3610
(203) 552-3028

February 5, 1985

Honorable Robert P. Hollenbeck
Chairman
NJ Assembly Agriculture & Environment Committee

Dear Assemblyman Hollenbeck:

In response to your desire to limit testimony on A.2606 during the public hearing on February 5, I have attached copies for you and all committee members of a statement on behalf of the Can Manufacturers Institute which represents all can manufacturers in New Jersey.

E. E. Fuller

/0855s

STATEMENT

OPPOSING A.2606

**NEW JERSEY BEVERAGE CONTAINER
MANDATORY DEPOSIT LEGISLATION**

BY

**EVERETT E. FULLER
Director, Government Relations
American Can Company
Greenwich, CT 06830**

FEBRUARY 5, 1985

Representing the CAN MANUFACTURERS INSTITUTE including:

**American Can Company - South Brunswick
Continental Can Company - Wayne
Crown Cork & Seal Company - North Bergen
National Can Corporation - Edison and Piscataway**

The beverage can manufacturers in New Jersey continue to be absolutely opposed to mandatory deposits on beverage containers such as proposed in A.2606.

In every state that has enacted a deposit law which included all beverage containers, the consumption of beer and soft drinks has declined. Further, the metal can share of that smaller market has been reduced so that the overall use of cans has dropped even more.

The most recent states to implement deposit laws are Massachusetts and New York where can consumption dropped almost 10 percent in the first year.

There are five beverage can manufacturing plants in New Jersey employing more than 1200 people. Two years ago there were seven; but my company, American Can, found it necessary to close our plant in Edison due in large measure to declining volume resulting from deposit law reductions in Connecticut and Massachusetts and anticipated losses in New York. Some 160 people lost their high paying jobs due to this closing. Reynolds Metals closed their plant in Woodbridge in 1983 due to similar circumstances resulting in 265 lost jobs.

A deposit law in New Jersey would result in more unemployment and might even cause one or more of the remaining plants to close if their volume or income margins were reduced below the break even point.

A deposit law is an ill-conceived solution to the problems of litter and solid waste. The small reductions of these two items is paid for by higher consumer costs, lost jobs in container manufacturing, reduced state beer excise and sales tax revenues, and inconvenience and hassle for all of your constituents.

All of the beverage container manufacturers, especially those in New Jersey - American Can, Continental Can, Crown Cork & Seal, and National Can - strongly urge you to vote against this legislation.

STATEMENT OF CARMEN GILETTO, PRESIDENT, NEW JERSEY
LICENSED BEVERAGE ASSOCIATION, BEFORE ASSEMBLY
HEARING ON A-2606, FEBRUARY 5, 1985

MY NAME IS CARMEN GILETTO AND I AM PRESIDENT OF THE NEW JERSEY LICENSED BEVERAGE ASSOCIATION WHICH REPRESENTS 8,000 TAVERNS, RESTAURANTS AND OTHER ON-PREMISE LICENSEES LOCATED IN OVER 500 NEW JERSEY COMMUNITIES.

MY ORGANIZATION HAS OPPOSED AND CONTINUES TO OPPOSE ASSEMBLY BILL 2606, A DISCRIMINATORY PROPOSAL, WHICH WOULD IMPOSE A DEPOSIT ON SOFT DRINK AND MALT BEVERAGE CONTAINERS. SUCH PROPOSAL IS DISCRIMINATORY IN THAT IT AFFECTS JUST A PORTION OF THE SOLID WASTE STREAM: A PORTION SOMEWHERE IN THE NEIGHBORHOOD OF APPROXIMATELY 10% TO 15%. DISCRIMINATORY IN THE SENSE THAT IT PENALIZES THE VAST MAJORITY OF OUR CITIZENS WHO DO NOT CONTRIBUTE TO THE LITTER SCENE. DISCRIMINATORY IN THAT IT SINGLES OUT AS GUILTY PARTIES PERFECTLY INNOCENT RETAILERS WHO SELL SUCH PRODUCTS.

IF THE PROPONENTS OF A-2606 WERE SERIOUS ABOUT AN EFFORT TO MINIMIZE, IF NOT ELIMINATE, NEW JERSEY'S LITTER PROBLEM, YOU WOULD EXPECT THAT THEY WOULD BE STRONGLY ENDORSING BROAD BASED LITTER TAX BILLS NOW PRESENT IN BOTH THE SENATE AND THE ASSEMBLY. SUCH BILLS ARE DIRECTED AGAINST ALL COMPONENTS OF THE LITTER SCENE, NOT JUST A PORTION. SUCH BILLS CREATE A STATE RECYCLING FUND SUPPLIED BY REVENUE RAISED THROUGH A TAX ON ALL MANUFACTURERS AND DISTRIBUTORS WHO SELL LITTER GENERATING PRODUCTS IN OUR STATE. FIFTEEN PERCENT OF THE MONEY RAISED WOULD FINANCE EMPLOYMENT OF YOUTHS TO MAN A LITTER PATROL PROGRAM DESIGNED TO REMOVE LITTER FROM THE VARIOUS AREAS WHERE SUCH LITTER APPEARS. EIGHTY PERCENT WOULD BE DISTRIBUTED IN DIRECT GRANTS TO MUNICIPALITIES AND COUNTIES FOR THEIR LITTER CONTROL PROGRAMS. WE SEE NO SUPPORT TO DATE FROM THOSE PRESSURING FOR THE PASSAGE OF A-2606, A PARTIAL EFFORT AT BEST, FOR THE BROAD BASED LITTER TAX BILLS WHICH REPRESENT A COMPLETE EFFORT.

THE FORCES BEHIND A-2606 ALSO EXPRESS AN INTEREST IN THE WASTE OF RAW MATERIALS WHICH AT THE PRESENT TIME THEY CLAIM ARE HEADED FOR LANDFILLS. APPARENTLY THESE FORCES ARE DELIBERATELY OVERLOOKING THE COMPREHENSIVE REMEDIAL STEPS THAT HAVE BEEN TAKEN UNDER THE BANNER OF NEW JERSEY'S RECYCLING ACT: REMEDIAL STEPS THAT WILL BE

CONSIDERABLY ENHANCED BY THE GOVERNOR'S MANDATORY RECYCLING PROGRAM. THESE COMPRISE A POSITIVE APPROACH TO THE EASEMENT OF THE LITTER PROBLEM AND THE SAVINGS BROUGHT ABOUT BY RECYCLING. A-2606 PRESENTS A NEGATIVE APPROACH BY TAXING, AND THAT IS WHAT DEPOSIT LEGISLATION ACTUALLY DOES, A PORTION OF THE SOLID WASTE STREAM.

DEPOSITS, OF COURSE AS YOU WELL KNOW, WILL BRING TO OUR DOORS A MESS OF UNWASHED, SMELLY AND PARTIALLY FILLED CONTAINERS. IN SHORT, A PERFECT BREEDING GROUND FOR DISEASE-LADEN RODENTS AND INSECTS. BESIDES THIS SANITATION HORROR, THE DEPOSIT LAW, WHICH IS A TAX, A DEPOSIT TAX, WHICH WILL BE PASSED ON TO THE CONSUMING PUBLIC IN THE FORM OF HIGHER PRICES WHICH IN TURN RESULTS IN DECREASED SALES TO THE RETAILERS AND DECREASED SALES-TAX REVENUE TO THE STATE.

WE SUPPORT THE POSITIVE APPROACH, A BROAD BASED LITTER TAX PLUS THE GOVERNOR'S EXPANSION OF THE RECYCLING ACT. WE OPPOSE THE PIECEMEAL, UNFAIR DISCRIMINATORY APPROACH SUGGESTED BY A-2606.

ALLIANCE OF NEW JERSEY LIQUOR RETAILERS

P.O. BOX 516, HOLMDEL, N.J. 07733

February 1, 1985

Hon. Robert P. Hollenbeck
Chairman, Assembly Agriculture
and Environment Committee
104 Midland Ave.
Garfield, NJ 07026

Dear Assemblyman Hollenbeck:

The Alliance of New Jersey Liquor Retailers represents independent package stores in New Jersey.

We are most concerned by the mandatory beverage deposit bill currently before your committee (A-2606) because of the harmful effect it would have on our businesses.

The deregulation of liquor prices in 1980 has provided tremendous savings for New Jersey consumers, but, combined with a general decline in beer and liquor sales, it has placed a number of small retailers in difficult financial straits.

Members of our association, through cooperative buying and advertising, have held their own against large chain stores but we will be unable to continue to compete if our storage rooms must accommodate cases of empty cans and bottles. We need every inch of our stores to maintain a diversity of product lines and to take advantage of discounts offered by beer and liquor wholesalers for quantity purchases.

We also think it's important for you to know that when New York's bottle bill went into effect the price of a case of beer there immediately jumped an average \$2, plus deposit. The result is that thousands of New Yorkers now buy their beer and soda each week in New Jersey. This has not only been a great benefit to New Jersey retailers in communities all along the Hudson, but has also benefitted the state in increased sales tax revenues.

If the bottle bill is enacted in New Jersey, our New York customers will stay home and retailers in every community bordering Pennsylvania also will lose customers.

We find it hard to believe that New Jersey legislators would endorse a measure which will cause so much economic damage to business people in our state. We urge members of your committee to visit their local package store, talk to its owner and learn first-hand how damaging this legislation would be.

Please protect the small liquor and beer retailers in our state. Vote "no" on A-2606.

Sincerely,



SAUL LEIGHTON
Chairman

SL/c

c: Assembly Agriculture
and Environment Committee
Mark Smith, Committee Aide



VILLAGE OF RIDGEWOOD

BERGEN COUNTY, NEW JERSEY

DEPARTMENT OF WATER SUPPLY

131 NORTH MAPLE AVENUE

444-5500

HAROLD V. FLORENCE
DIRECTOR

October 28, 1982

Mrs. Ellie Gruber
League of Women Voters
229 South Irving Street
Ridgewood, N.J. 07450

Dear Ellie:

I am writing in response to your question: will the passage of a Beverage Container Law in any way hurt Ridgewood's participation in the New Jersey Recycling Act?

The answer to this is no. We, as you are aware, have one of the most successful volunteer recycling programs in the State. Our Village trucks collect papers at the curb and arrange for disposal and sale of all other recyclables brought by residents to our center.

I think there has been some confusion as to what the purpose of a recycling program is. The purpose is to reduce landfill, not to make money. Of course, we do sell these recyclables, and this money defrays most expenses in collection and maintenance; but the main benefit and purpose is the reduction of trips to the landfill by our men and trucks, and smaller tipping fees. This is the purpose of recycling and anything that can be done to accomplish this goal is certainly worthwhile.

Let me say that the Recycling Act is good as far as it goes; but does not address one of the municipality's serious problems: litter in our streets and parks. This litter costs a substantial amount of money to collect. When it is picked up, it is not separated into non-recyclables and recyclables. It is lumped together and sent to the Meadowlands as garbage. A large portion of this litter is beverage containers; I estimate over 40%. In my opinion, a litter tax would not solve the problem. The "Bottle Bill" would certainly benefit any town's pickup problems as well as benefit a recycling program.

As an expert in municipal recycling, I can see no reason why such a Beverage Container Bill has not been enacted. I would be happy to discuss this with you at any time.

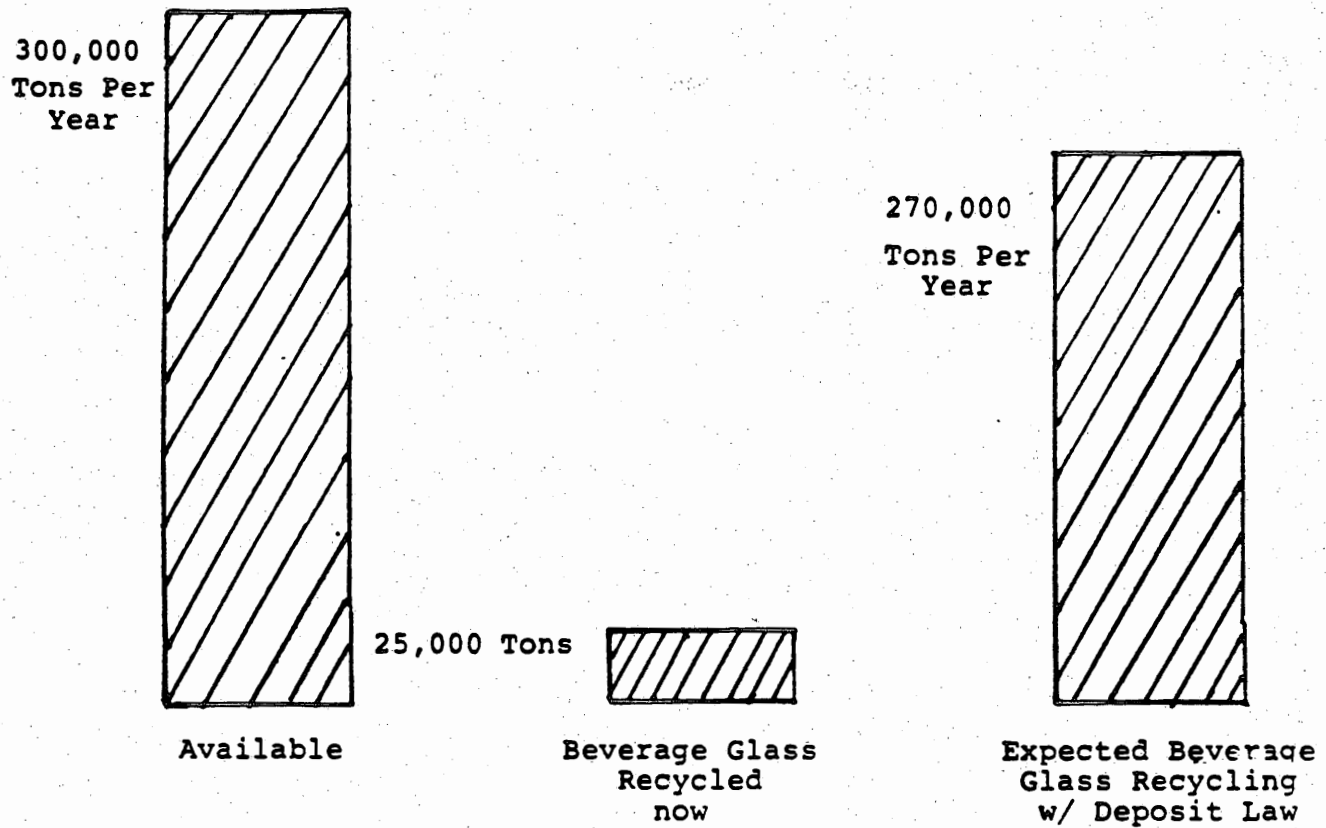
Sincerely,

Harold V. Florence

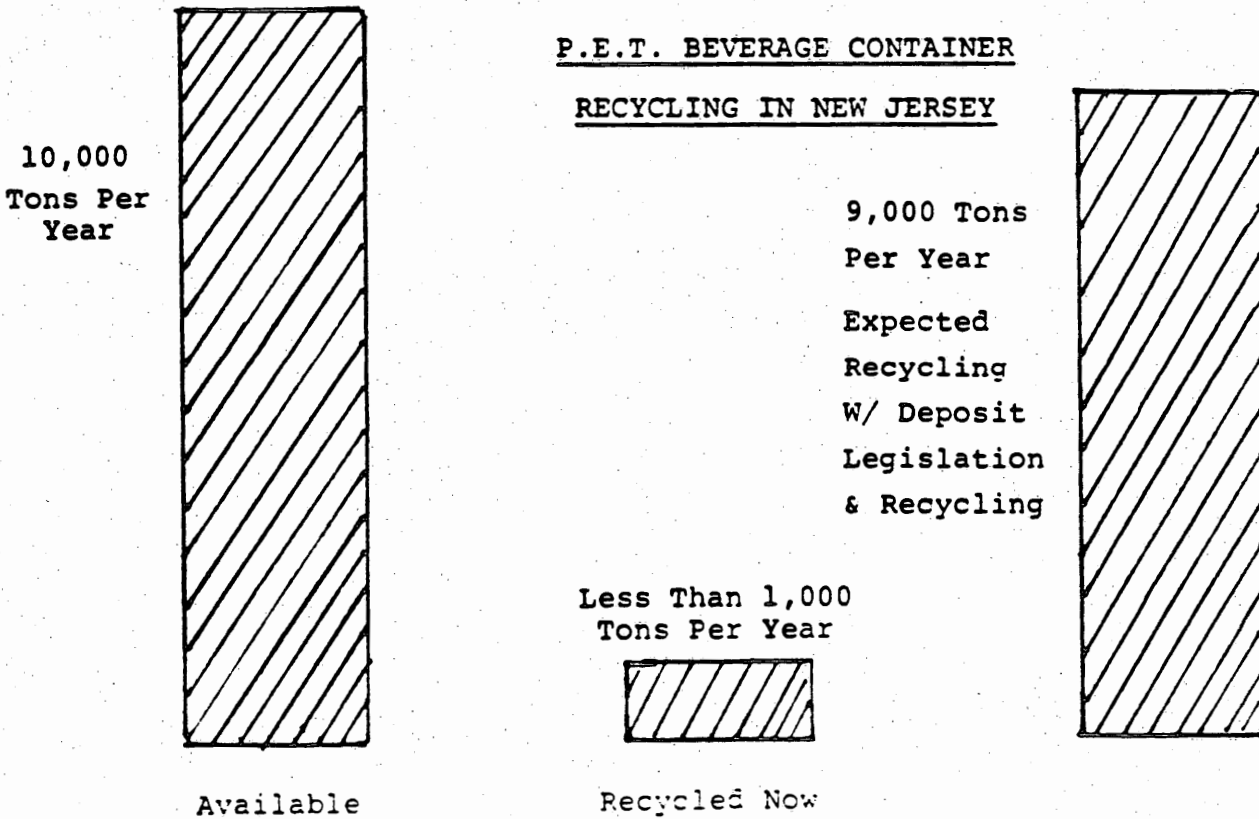
HVF/ε

cc: The Hon. Alan Karcher, ^{87x} Speaker, N. J. Assembly

GLASS BEVERAGE RECYCLING IN NEW JERSEY



P.E.T. BEVERAGE CONTAINER
RECYCLING IN NEW JERSEY



*Based on NJ Recycling Office Data 1983

NEW JERSEY WANTS A DEPOSIT LAW

Support for a New Jersey beverage container deposit law comes from a wide variety of governmental, professional, public interest and environmental groups and individual citizens as indicated by the listing below:

Government

240 municipal councils by formal resolution (see separate listing)
10 county boards of freeholders by formal resolution (see listing)
72 mayors by formal petition
Palisades Interstate Park Commission
Delaware and Raritan Canal Commission
Pinelands Commission
Morris County Park Commission

Solid Waste

Camden County Solid Waste Advisory Council
Morris County Solid Waste Advisory Council

Agriculture

New Jersey Farm Bureau
Cumberland County Board of Agriculture
Hunterdon County Board of Agriculture
Mercer County Board of Agriculture
Middlesex County Board of Agriculture
Warren County Board of Agriculture
Essex County Board of Agriculture
Passaic County Board of Agriculture

Professional

Public Works Association of New Jersey
New Jersey Association of Towns and Townships
New Jersey Recreation and Park Association
New Jersey Retail Merchants Association

Public Interest

League of Women Voters of New Jersey
New Jersey Public Interest Research Group
American Lung Association

Sportsmen

New Jersey Council of Trout Unlimited
Middlesex County Federation of Hunting and Fishing Clubs
Hunterdon County Federation of Sportsmen's Clubs

Environmental

New Jersey Environmental Lobby
Association of New Jersey Environmental Commissions
New York - New Jersey Trail Council
Appalachian Mountain Club
New Jersey Chapter of the Sierra Club
League of Conservation Voters
New Jersey Roadside Council
Garden Club of New Jersey
New Jersey Audubon Society

Media

| | |
|---------------------------|-------------------------|
| Home News, New Brunswick | Trenton Times |
| Star Ledger, Newark | Burlington County Times |
| Bergen Record, Hackensack | |
| Asbury Park Press | |
| Daily Record, Morristown | |
| Courier News, Somerville | |
| Courier Post, Camden | |
| Herald News, Passaic | |

Citizens

26,000 citizen signatures on deposit bill petitions

Other

Many municipal and area environmental commissions, nature clubs,
bicycle clubs and other environmental and recreational groups

Can & Bottle Bill Coalition

84 Paterson Street
New Brunswick, N.J. 06903
201-277-2111

COUNTIES WHICH HAVE PASSED CONTAINER DEPOSIT RESOLUTIONS:

| | |
|------------|----------|
| Bergen | Monmouth |
| Burlington | Morris |
| Essex | Passaic |
| Gloucester | Union |
| Mercer | Warren |

MUNICIPALITIES WHICH HAVE PASSED CONTAINER DEPOSIT RESOLUTIONS:

ATLANTIC

Atlantic City
Corbin City
Egg Harbor City
Egg Harbor Twnsh
Estell Manor
Hammonton
Mullica
Northfield
Somers Point

BERGEN

Cliffside Park
Closter
Cresskill
Englewood
Englewood Clfs
Fair Lawn
Fort Lee
Franklin Lakes
Hackensack
Hillsdale
Ho-Ho-Kus
Leonia
Little Ferry
Lodi
Lyndhurst
Mahwah
Midland Park
Moonachie
North Arlington
Palisades Park
Paramus
Ramsey
Ridgefield Park
Ridgewood
River Edge
River Vale
Rutherford
Saddle Brook
Teaneck
Tenafly
Waldwick
Westwood
Woodcliff Lk
Wood-Ridge
Wycoff

Burlington

Bordentown Twnshp
Edgewater Park
Evesham
Florence
Hainesport
Lumberton
Mansfield
Medford Twnshp
Mount Holly
Mount Laurel
Riverton
Shamong
Springfield
Westampton
Willingboro
Woodland

CAMDEN

Audubon Park
Barrington
Berlin Boro
Cherry Hill
Gibbsboro
Haddon Twnshp
Haddonfield
Laurel Springs
Magnolia
Pennsauken
Voorhees
Winslow

CAPE MAY

Avalon
Cape May City
Stone Harbor
Upper Twnshp

ESSEX

Belleville
Bloomfield
Cedar Grove
Fairfield
Livingston
Maplewood
Millburn
Montclair
Newark
North Caldwell
South Orange
West Caldwell
West Orange

GLOUCESTER

Deptford
Greenwich
Mantau Twnshp
Swedesboro
Wenonah

HUDSON

Hoboken
Union City

HUNTERDON

Clinton Town
Clinton Twp
East Amwell
Flemington
Glen Gardner
Lebanon Boro
Raritan Twp

MERCER

East Windsor
Ewing
Hopewell Boro
Hopewell Twp
Lawrence Twp
Princeton Boro
Princeton Twp
Trenton
West Windsor

MIDDLESEX

Cartaret
Cranbury
Dunellen
East Brunswick
Edison
Helmetta
Highland Park
Jamesburg
Metuchen
Middlesex
Milltown
New Brunswick
No. Brunswick
Sayreville
So. Brunswick
Sc. Plainfield
Woodbridge

MORMOUTH

Aberdeen
Allentown
Asbury Park
Colts Neck
Hazlet
Highlands
Howell
Keyport
Manalapan
Marlboro
Matawan
Millstone
Ocean Twp
Oceanport
Roosevelt
Rumson
Sea Girt
Shrewsbury Boro
Spring Lake
Tinton Falls
Union Beach
West Long Branch

MORRIS

Boonton Twp
Chatham Boro
Chatham Twp.
Chester Boro
Chester Twp
Denville
E. Hanover
Hanover Twp
Lincoln Park
Madison
Mendham Boro
Mendham Twp
Morris Twp
Morristown
Mt Arlington
Netcong
Passaic Twp
Pequannock
Randolph Twp
Rockaway Twp
Washington Twp
Morris Plains
Rockaway Boro

OCEAN

Berkeley Twp
Dover Twp
Jackson Twp
Lavallette
Mantoloking
Ocean Gate
Pine Beach
Point Pleasant
Pt Pless Beach
Seaside Park
Stafford Twp
*Stafford City
Turkenton*

PASSAIC

Bloomington
Clifton
Prospect Park
Wayne
West Milford
West Paterson

SOMERSET

Bedminster
Branchburg
Bridgewater
Franklin Twp
Green Brook
Manville
Millstone
Montgomery Twp
No. Plainfield
Rocky Hill
Somerville
Warren

SUSSEX

Andover Twp
Branchville
Green Twp
Hopatcong
Sparta
Sussex
Vernon

Stanhope
Wantage

Hardyston

UNION

Berkeley Hts
Cranford
Elizabeth
Fanwood
Garwood
Linden
Plainfield
Rahway
Roselle Park
Scotch Plains
Summit
Union

WARREN

Allamuchy
Alpha
Greenwich
Hackettstown
Hardwick
Harmony
Independence
Knowlton
Lopatcong
Phillipsburg
Pohatcong
Washington Boro
White Twp

(see over)



THE CITY OF NEW YORK Department of Sanitation

51 CHAMBERS STREET, ROOM 815
NEW YORK NY 10007

PAUL D. CASOWITZ, P.E.
DEPUTY COMMISSIONER
OFFICE OF RESOURCE
RECOVERY AND WASTE
DISPOSAL PLANNING
Tel. 566-0922

September 21, 1984

*In New York City
New Alone!*

Dear New Yorker:

THE RETURNABLE CONTAINER LAW IS WORKING!



On Sept. 12th, the first anniversary of implementation of the NYS Returnable Container Law (the "Bottle Bill"), Mayor Koch and Sanitation Commissioner Norman Steisel were able to report that, as a result of the law, beer and soda container litter has been reduced by 80 percent, and solid waste tonnage by an estimated 550 tons a day. That's a level of success all New Yorkers should be proud of. But it's not complete success. Many regulatory and business changes have to be made over the next year to address the inefficiencies of the law. Simultaneously, the law, as it exists, has to be adhered to and enforced.

That's why, on the date of the first anniversary, the Mayor, Commissioner Steisel, and Consumer Affairs Commissioner Angelo Aponte jointly issued a "BOTTLE BILL OF RIGHTS." It's enclosed. It tells you what your rights are in redeeming your containers; asks you to demand your rights in stores where you shop and return your bottles and cans; and calls upon you, if your rights are not honored, to take your beverage business elsewhere.

Please keep the "BOTTLE BILL OF RIGHTS" handy. Use it. And share it with friends and neighbors.

DATES HAVE BEEN SET FOR FALL LANDFILL TOURS

This year, when New Yorkers go out on the Department of Sanitation's tours of Fresh Kills Landfill on Staten Island, they'll see a lot fewer beer and soda bottles and cans than they would have seen a year ago. But in spite of that noticeable change, they'll still see more garbage in one place, at one time, than most people will see in a lifetime.

Fresh Kills is the largest landfill in the world, one of the last remaining disposal sites in the City, and it's filling up at a rate faster than we are replacing it. If you're not very worried about that fact, you really should be.

The Department of Sanitation's landfill tours have been called "among the best, most enlightening, and most enjoyable tours in town." Please set aside one of the dates in October and join us.

Cordially,

Sherry Koehler
Sherry Koehler

NEW YORK
LET'S CLEAN UP
NEW YORK



enclosures



Sierra Club

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

July 14, 1982

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

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

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

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

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

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

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

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

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

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

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

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

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

We thank you for this opportunity to address this Committee.



Sierra Club

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

submitted by: Albert Kent, Jr.
39 Crystal Avenue
West Orange, NJ 07052
731-1765

STATEMENT AT THE HEARING ON THE STATE OF NEW JERSEY DRAFT PLAN ON RECYCLING July 24, 1980

The New Jersey Chapter of the Sierra Club appreciates the time and effort put into the Draft Plan by the Advisory Committee on Recycling and the staffs of the Department of Energy and the Department of Environmental Protection. We hope to be able to support the goals and procedures suggested in the final Plan and to offer our assistance in bringing about public acceptance and needed legislation.

We do, however, take serious exception to the following aspects of the Plan:

First, while indicating conservation of raw materials, conservation of energy and reduction of solid waste as goals of the Plan, no mention is made of protection of the aesthetic environment through reduction of litter. We believe this should be a clearly stated goal of any general recycling program.

Second, we believe that the dismissal of beverage container deposits and the failure to consider reusable container legislation, the outright banning of small glass beverage containers or a prohibition on the use of snap-off can tabs to be serious shortcomings.

In regard to aesthetics, our belief is that New Jersey citizens and taxpayers have too long subsidized the beverage and container industries by absorbing the social costs of litter from cans and bottles and broken glass, most of which never even gets into the municipal waste stream. This litter is on our lawns and driveways; our sidewalks and streets; our roadsides and vacant land. It is on our playing fields, basketball courts and tennis courts; our trails and picnic grounds; our city lots and farm fields; our stream beds, lake banks and river shores.

A strong argument against new money for outdoor recreation sites is that they will soon be covered with cans and bottles and broken glass. It is a safety hazard and an aesthetic outrage.

No longer do we wish to be told that it is just a matter of education or behavioral conditioning.

And we don't believe that fears of possible dislocations in beverage or container industry employment should be permitted to lock us in to the revolting mess we have made of our landscape.

It is time for strong controls on the safety hazards, aesthetic affronts and material and energy waste from toss-away beverage containers.

Oregon did it. Maine did it. Vermont did it. Connecticut did it. Iowa did it. Michigan did it.

New Jersey: Let's do it!



Sierra Club

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

Contact:

Albert Kent
201-731-1765

STATEMENT BEFORE THE ASSEMBLY AGRICULTURE AND ENVIRONMENT COMMITTEE
FEBRUARY 5, 1985

By ALBERT KENT, CONTAINER DEPOSIT COMMITTEE

The Sierra Club is a national conservation organization. Through its local chapters and groups it has supported and worked for beverage container deposit laws in many states including those where such legislation is now in effect.

The New Jersey Chapter has been a leader in the struggle for a deposit law here in New Jersey since 1980. Enclosed with this statement are copies of previous testimony we have given and other material relating to this effort.

We would like to make brief comments on three relevant matters:

Reaction to Governor Kean's Concern with the Jobs Issue

Previously, Governor Kean has expressed strong support for the deposit concept and actually introduced a deposit bill of his own when he was in the Assembly. He has withheld endorsement of specific legislation since becoming Governor, however, due to concerns over the law's potential for conflicting with the state recycling program and its perceived potential for job loss in the glass container industry.

According to his most recent statements, he is now concerned only with the possible impact on glass industry jobs in Cumberland County because of that area's high unemployment rate - an average of 14.8% for the first three quarters of 1984, 11.7 % in November.

Our response is that the threat to glass industry jobs is a factor not so much of a deposit law as the intrusion of plastics and aluminum into the entire container market. One need only to have observed beverage shelves in local supermarkets over the past few years to see how plastic and metal containers have come to dominate the picture.

Further, the can and bottle law is a job creator. Ultimately it will bring about 3000 to 4000 new jobs in receiving, sorting, transporting and recycling containers - mostly for the young, urban, unskilled who also suffer from a high unemployment rate.

Finally, Cumberland County has but 1.8% of the state's population. While it would be unconsionable to ignore or belittle the problems of any part of our state regardless of its size, still we do not think it right to hold solid waste and litter reduction for 7.36 million residents hostage to the resolution of economic problems in such a thinly populated area (133,000 in 1980) or in an industry which the throwaway container has turned into a major polluter. Cumberland County needs help in some other form. So does the glass industry.

Compatibility of a Deposit Law with Mandatory Recycling

If it has done nothing else, the 1984 Progress Report of the Office of Recycling has shown that the existing state recycling program has failed

to achieve the recovery of more than 7% or 8% of metal, glass and plastic beverage containers. Experience in other states convinces us that a can and bottle bill will increase recycling of beverage containers by a factor of between five and ten with no negative effect on recycling of other materials. A significant 5% of solid waste will thus be removed from the flow to our landfills.

Problems the Deposit Law Would Create for Beverage Retailers

No one can deny that a deposit law creates nuisance problems for the beverage retailer who must handle and store returned containers. But the retailer along with other levels of the beverage industry has been burdening the public with the litter and solid waste costs of the throwaway container system for over twenty-five years. The retailer makes his profit; he must assume his share of the burden. No longer can he leave the public with the mess. Besides, under the New Jersey law, he will receive a handling fee from distributors of one and one-half cents per container as compensation for his extra costs.

Stores in New York and New England have risen to the occasion. They have made the necessary adjustments. They have continued in business. They still sell beverages. They still make a profit. New Jersey stores must do the same. They must adapt to the imperatives of the 1980's.

Thank you very much.

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Sierra Club

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

STATEMENT OF THE NEW JERSEY CHAPTER OF THE SIERRA CLUB

BEFORE THE SPECIAL ASSEMBLY MEETING ON

BEVERAGE CONTAINER DEPOSIT LEGISLATION

PRESENTED BY ALBERT KENT, CHAIRMAN

CONTAINER DEPOSIT COMMITTEE

DECEMBER 1, 1983

BENEFITS OF A DEPOSIT LAW

In most deposit states, reduction of can and bottle litter has been the main reason for enactment of beverage container laws. As we shall see, however, there are many other benefits which accrue from this legislation.

Container Litter Reduced

Beer and carbonated soft drink cans and bottles are widely considered to be the most obnoxious, least degradable and most hazardous fraction of common litter. They foul our roadsides, parks, playgrounds, empty lots, forests, fields, streams and lakes. Deposit laws have been proven to eliminate around 85% of this debris by providing the incentive for people to return containers to stores or redemption centers for recycling. Containers that thoughtless people still throw away are soon picked up by youngsters or others.

Non-beverage Litter Cleaned Up, Too

By nearly eliminating container litter, deposit laws allow the human and financial resources now consumed in dealing with bottles and cans to do a better job in cleaning up paper waste and other debris.

Cleanup Cost Savings

Not only will a better job be done in cleaning up all litter, but less money need be spent by municipal, county and state government and by private landowners in cleanup work. Although total annual litter costs defy calculation, they run into millions of dollars, and the results are often unsatisfactory or short lived.

Recycling Increased

The deposit system results in virtually all glass and aluminum containers being recycled and sets the stage for recycling of plastic containers by causing large quantities of this material to be concentrated and available on a dependable basis. In New Jersey, the deposit system will cause glass recycling to quadruple from 50,000 tons per year to over 200,000 tons and aluminum recycling to nearly double.

Reduction of Solid Waste

By creating the incentive for the return of beverage containers for recycling, deposit laws in other states have resulted in return rates of over 90% and municipal solid waste reductions of around 5%.

Landfill Conservation

Solid waste reduction obviously means landfill conservation. Virtual elimination of beverage containers from landfills would be a significant contribution toward stretching out the lifetime of existing sanitary landfills.

More Efficient Energy Recovery Plants

High technology incineration in energy recovery plants requires the maximum elimination of metal and glass in the waste flowing into the burn units. This is needed both to avoid building the plants larger than necessary as well as to facilitate trouble free operation. If these plants are built, the deposit system will help meet this need.

Raw Materials Consumption

Large scale recycling of beverage containers will substantially reduce consumption of bauxite for aluminum, sand and soda for glass and petroleum for plastics. Conservation of raw materials is a basic purpose of recycling.

Energy Savings

The refillable glass bottle is the least energy consumptive beverage container, but even with refillables banned, the deposit system will produce significant savings in energy. Aluminum cans, for example, when made from bauxite are extremely energy consumptive, but when made from recycled aluminum, total energy consumed is reduced by over one-half.

New Jobs Created

The handling and recycling of returned containers will create 3000 to 4000 new full time and part time jobs, mostly for unskilled, young, urban and presently unemployed workers.

BEWARE OF THE LITTER TAX

The litter tax (A.3556) is a sales tax on merchandise that is either litter prone in itself or is sold in disposable packages or wrappings. The money raised is spent on state and local litter cleanup and anti-litter education. The beverage industry and food retailers have consistently promoted litter taxes in attempts to sidetrack can and bottle deposit laws. The tax has little merit and several serious flaws, and should be defeated.

SERIOUS FLAWS

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

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

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

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

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

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

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

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

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

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

OTHER STATES

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

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

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

CONCLUSION

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

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

The litter tax is so clearly a device to steer the State away from deposit legislation and so flawed in its approach to litter control, that deposit proponents regard this bill as wholly anti-environment and contrary to the best interests of the State.

Can & Bottle Bill Coalition

39 Crystal Avenue, West Orange, NJ 07052

Ellie Gruber, LWV (201) 447-3025
Al Kent, Sierra Club (201) 731-1765
Jim Lanard, NJEL (201) 878-0446

**TESTIMONY BEFORE THE NEW JERSEY ASSEMBLY COMMITTEE ON ENERGY AND NATURAL
RESOURCES REGARDING:**

**THE POTENTIAL EFFECT OF A BEVERAGE CONTAINER DEPOSIT LAW ON THE STATE
RECYCLING PROGRAM**

MARCH 21, 1983

My name is Albert Kent and I represent the New Jersey Can and Bottle Bill Coalition. We are very grateful for the opportunity to testify before this Committee today.

We seek the adoption of a beverage container deposit law, and more specifically A-1753, for New Jersey because we believe such a law would dramatically reduce beverage container litter as well as substantially increase the tonnage of waste material recycled in the State.

Today we would like to comment on three related aspects of the recycling program:

- + The effectiveness of the recycling program in recycling glass
- + The potential effect of a deposit law on recycling glass and other beverage container materials
- + The potential effect of a deposit law on the viability of municipal recycling programs

Effectiveness of the Recycling Program in Recycling Glass

It is impossible at this time to approach glass tonnages with any degree of preciseness. We do feel, however, that certain conclusions can be drawn from even the sketchy information available.

To start with basics and using 1980 figures from Recycling in the 1980's, we see a municipal waste stream of 6.2 million tons per year of which 621,000

League of Women Voters • Sierra Club • New Jersey Environmental Lobby
Public Interest Research Group • Recreation and Park Association

tons or 10% are glass. Of this, one-half or 310,000 tons are beverage glass.
(Table I.)

Table I. Municipal Waste in New Jersey in 1980

| | | |
|-------------|----------------|------|
| Total Waste | 6,200,000 tons | 100% |
| Total Glass | 621,000 tons | 10% |
| Bev. Glass | 310,000 tons | 5% |

Figures for three counties which have statistics for recycled glass are shown in Table II.

Table II. Statewide Recycling of Glass Extrapolated from Glass Recycling Reported by County Recycling Offices.

| County | 1982 Glass Recycled in Tons * | % of State Population | State Tonnage at County Rate |
|---------|-------------------------------|-----------------------|------------------------------|
| Morris | 850 | 5.54 | 15,400 |
| Camden | 700 | 6.40 | 11,000 |
| Passaic | 750 | 6.08 | 12,300 |

* approximate

The right hand column shows the amount of glass that would have been recycled in the entire State if done at the rate for each county.

Of course, more glass may have been recycled than is shown in the numbers reported by the county recycling offices. For instance bar glass and material from some municipal programs may not have been reported. Allowing for this, we estimate that as much as but no more than 50,000 tons of glass were recycled last year in New Jersey. This would be only 8% of the glass in the waste stream.

If Fred G. Schmitt was right in his testimony on February 24 to the effect that municipal waste may amount to no more than, say, 4.5 million tons per year and that estimates for glass must be reduced accordingly, then the 50,000 tons per year of glass would amount to 11% of the glass in the waste stream - still a quite small proportion.

The Recycling Office reports that 145,000 tons of glass were recycled in New Jersey plants last year but that the amount from out-of-state is unknown. We suggest that at least 95,000 tons came from Connecticut and other states. If true, this use of New Jersey plant capacity to absorb cullet from other states while New Jersey glass goes into landfills represents, in effect, an additional importation of 95,000 tons of out-of-state waste to be landfilled in New Jersey.

We will look forward to the statistics which will soon be published by the Recycling Office and will welcome the opportunity to develop a more accurate analysis.

The Potential Effect of a Deposit Law on Recycling Glass and Other Beverage Container Materials

Of the 621,000 tons per year of glass in the waste stream, about 50% is beer and soft drink glass. Using a 90% return of beverage containers as reported by other deposit states, we see that 90% of 310,000 tons or about 280,000 tons per year of glass should be recovered with a deposit law. This glass will be accumulated in large quantities by bottlers or distributors and given its intrinsic value, it is highly unlikely that any would be sent to landfills although it might displace some cullet coming from out-of-state. The remaining 310,000 tons of non-beverage glass plus about 31,000 tons of non-returned beverage glass will remain in the waste stream.

With no recycling of this remaining glass, the recycling of glass would be increased to 280,000 tons per year from the present maximum estimated of 50,000 tons per year or by over 400%.

Recycling of 25% of the remaining glass would bring the total volume still further to some 365,000 tons or almost 60% of all glass. (Table III.)

Table III.

| | | |
|---|--------------|------|
| Total Glass | 621,000 tons | 100% |
| Beverage Glass | 310,000 " | 50% |
| Non-Beverage Glass | 310,000 " | 50% |
| Maximum Glass Currently Recycled | 50,000 " | 8% |
| Glass Recycled with Deposit Law Alone | 280,000 " | 45% |
| Glass Recycled with Dep Law plus Recycling of 25% of Remaining Glass | 365,000 " | 60% |

We assume that between 25% and 50% of aluminum cans and very few bi-metal cans and plastic bottles are being recycled. A deposit law would increase aluminum recycling to 90% or about 58,000 tons and plastic and bi-metal to some unknown amount at present but ultimately to 90% also. The Connecticut Recycling Office reports virtually all their plastic being marketed. We have no tonnage figures for plastic or bi-metal.

The Potential Effect of a Deposit Law on the Viability of Municipal Recycling Programs

In her testimony at Whippany on July 14, 1982, Mrs. Sheil, Administrator of the Recycling Office, said,

"The revenues that municipalities receive from their glass sales are used to help pay for the collection of other recyclable materials with lower market values. The loss of the glass and aluminum revenues to these recycling programs will impact on their economic viability. A recent survey by my office of Connecticut curbside programs with glass collections showed an average 40 to 50% drop in glass tonnage after the implementation of their deposit legislation. We think the same effect may happen here with a detrimental impact on a curbside comprehensive program."

Several comments come to mind. Most recycling programs in New Jersey handle no glass at all, and most towns are very reluctant to deal with glass because the costs are high and the physical process troublesome. Glass gets spilled at curbside and broken, for instance, and injuries during collection and handling are feared. Since so few towns deal in glass and so little is recycled throughout the State, it seems incorrect to refer to it as the material that makes programs economically viable or that removal of half the glass would threaten them.

If towns feel recycling of glass is desirable, there is still plenty in the waste stream after beverage glass is removed - far more than is being recycled now. If they find glass undesirable to deal with, then the removal of beverage glass by a deposit law will ease their problem.

Even in those towns where glass may possibly be providing a net income, the loss of income from beverage glass should be largely or completely offset by the increased cost avoidance achieved through the deposit system. And landfill avoidance is, after all, the chief objective of the recycling program.

In Montclair, for instance, in 1982 1010 tons of glass were recycled, but with a deposit law, beverage recycling alone would go to 1450 tons and with 630 tons (see page 99x, Whippany Testimony, July 14, 1982) of non-beverage glass added, the total would be over 2000 tons. Cost avoidances would be doubled.

Aluminum, even in Montclair, contributes a very small (3%) amount to income.

Curbside collection of glass in Connecticut prior to their deposit law was insignificant compared to the amount recycled through their deposit system. Furthermore, with the development of additional municipal and regional recycling programs, their tonnage of non-beverage glass has also increased.

The reduction of curbside glass collection after enactment of Connecticut's deposit law by only 40 to 50% indicates a high proportion of non-beverage glass in their pickups. This bodes well for the future of collection of non-beverage glass in New Jersey after a deposit law goes into effect.

Additional Comments

We think it worthwhile to note the wide divergence of opinion regarding the value of mandatory recycling, deposit legislation and the best ultimate approaches to waste disposal encountered among solid waste professionals and political leaders around the State. Essex County, with a population of 850,000, favors intensive recycling and has recently mandated removal of

all recyclables from waste which will enter its projected energy recovery plant. The County Executive eagerly desires a deposit law especially for its cleanup value while the solid waste people claim to be just neutral on deposits.

Some in the County have expressed concern that recovery of recyclables at anything like the 90% rate for the deposit system will be impossible, particularly in the cities. Newark, for instance, has had a mandatory newspaper separation ordinance since the 1950's. It has so far found it unenforceable at any reasonable cost and the law is totally disregarded.

Newark and Montclair form an interesting contrast with respect to glass recycling. Montclair with its 38,000 population reports 1010 tons of glass recycled in 1982. Newark, with 329,000 population, reports 60 (!) tons plus an undetermined amount of bar glass collected.

The Essex County Board of Freeholders and 13 Essex towns have passed resolutions asking the Legislature to pass a deposit law.

Morris County, with a widely dispersed population of 407,000, sees mandatory recycling as largely uneconomical. It prefers as much voluntary recycling as possible, a deposit law to get half the glass out of the waste stream, and an energy recovery plant large enough and so designed as to handle whatever recyclables are left in waste coming in to the plant.

The Morris Board of Freeholders and 18 Morris County towns have also petitioned the Legislature for a deposit law.

By and large, intensive, mandatory recycling seems to be most agreeable in fairly dense suburban towns like Montclair and West Orange and least suitable in spread out rural areas and crowded core cities. The deposit law will provide an increase in recycling in all areas regardless of their disposition toward recycling programs.

Conclusion

The purpose of the deposit law is to clean up the State's problem of obnoxious, hazardous and non-degradable beverage container litter on its roads, parks, playgrounds, streams, lakes and woods; release available maintenance labor at all levels to concentrate on non-beverage litter; and augment recycling of all kinds of beverage container material.

We believe one effect of a deposit law will be to increase recycling of beverage container material by a factor of five.

We also believe there will be no significant negative effects on towns with recycling programs.

Finally, we wish to thank the ten county boards of freeholders, the 212 municipal councils and the 73 mayors who have petitioned the Legislature to pass a deposit law; and also to thank this Committee for its support of this legislation and its concern for continued development of the State recycling program.

Can & Bottle Bill Coalition

39 Crystal Avenue, West Orange, NJ 07052

March 19, 1984

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TESTIMONY BEFORE THE PUBLIC HEARING ON RESOURCE RECOVERY
BY THE NEW JERSEY CLEAN AIR COUNCIL AND
THE NEW JERSEY ADVISORY COUNCIL ON SOLID WASTE MANAGEMENT
by Albert Kent

Whether New Jersey's solid waste is disposed of by incineration or landfilling, it is obvious that the process is made less burdensome by the prior removal of as much reusable material as possible.

Since glass, metal and plastic beverage containers make up some 5% of municipal solid waste by weight and even more by volume, their removal by means of a beverage container deposit law would make a significant contribution to solid waste reduction. In the case of incineration, there is a tripple benefit:

- 1.) Solid waste volume is lowered, thereby reducing the size and both construction and operating costs of incinerators.
- 2.) The potential for troublesome mechanical problems in the incinerators from glass and metal is reduced.
- 3.) The potential for air pollution from burning plastic beverage containers is virtually eliminated.

The long range experience in other states with deposit laws is that 90% of containers are returned for reuse or recycling. Aluminum is quickly bought up by recyclers, and, although there is a current glut of scrap glass here due to the New York bottle bill, New Jersey is ideally situated to

market its own scrap glass either locally or to the west and south.

At present there is a small but growing market for scrap beverage plastic. Initially plastic material may go mostly to landfills if too hazardous to be burned, but with large volumes available, continued growth of plastic recycling should occur.

One alternative to a deposit law for removal of beverage containers from the waste stream is continued reliance on municipal recycling progress. This appears, however, to be a wholly inadequate approach. In 1982, the latest year for which figures are available, only 14,563 tons of glass were recycled through the New Jersey recycling grant program - less than 2 $\frac{1}{2}$ % of the total glass in the waste stream. It is apparent that recycling of beverage containers will be increased by a factor of ten or more by means of a deposit law.

A second alternative to deposits, is mechanical or manual removal of beverage containers and other non-combustibles immediately upstream of the incinerator. This process may be necessary ^{for other materials} in any event, but will obviously be made easier if beverage containers are removed first by a deposit system.

Since increased consumer costs, if any, under a deposit law are generally considered to be more than offset by litter reduction benefits, contributions to solid waste disposal from the deposit system can be considered cost free.

Although a deposit law for New Jersey has wide support among environmental and public interest groups, local officials, and the general public, there is strong resistance from the beverage and retail food industries and thus in the Legislature. We believe it important, therefore, that a recommendation for a deposit law from this body be made in the strongest possible terms.

Thank you very much.

CAN AND BOTTLE BILL COALITION

84 Paterson Street, New Brunswick, N.J. 08901

A DEPOSIT LAW WILL HELP NEW JERSEY MEET ITS RECYCLING GOALS

The New Jersey recycling program was developed to conserve diminishing landfill space and control solid waste disposal costs by removing as much reusable material from the solid waste stream as possible.

In the recent report of the Assembly Energy and Natural Resources Committee, RECYCLING, RESOURCE RECOVERY AND EFFECTIVE SOLID WASTE MANAGEMENT, the Committee found that a beverage container deposit law would complement the recycling program by substantially increasing the volume of beverage container material recycled and be a "useful component of effective solid waste management in New Jersey." It found no merit in the claim that a deposit law would jeopardize achievement of recycling goals by diverting income producing material away from local recycling centers.

The following items support the Committee's conclusions:

Only 30,000 tons per year of glass are being recycled in New Jersey. This amounts to a mere 5% of all glass in the waste stream and 10% of all beverage glass.

The amount of recycled glass is only about 4% of all material recovered under the state grant program in 1983.

While 95% of New Jersey's waste glass is still going to the state's overburdened landfills, 200,000 to 300,000 tons per year of scrap glass generated by deposit laws in New York and New England are being shipped into our state. This scrap is processed for use in New Jersey glass furnaces or for transshipment to Pennsylvania, Virginia and other states to the west and south.

| Material | In Waste Stream (tons) | 1983 Grant Program Recycled (tons) |
|----------------|------------------------|------------------------------------|
| Total Glass | 621,000 | 25,000 |
| Bev. Glass | 310,000 | 12,500 |
| Non-Bev. Glass | 311,000 | 12,500 |
| Bev. Plastic | Unknown | Negligible |
| Bev. Aluminum | 20,000 | 800 |

A deposit law would increase glass recycling from 30,000 tons to at least 250,000 tons per year. This scrap would be in a preferred position to be marketed in New Jersey or to the west and south.

Future prospects are for sharply climbing waste disposal costs, while prices for scrap glass are likely to decline as bottle bills in New York and other states create greater supplies. Cost avoidance - not recycling income - will be the dominant consideration of municipalities in looking at recycling.

Virtually all plastic beverage containers are going to landfills. With deposits, plastic containers would be concentrated in dependable quantities sufficient to attract potential users of PET plastic scrap. Plastic recycling is now still in its infancy.

The amount of aluminum containers recycled is so small in tonnage as to achieve little landfill conservation. Recycling income from aluminum is far less than from glass. With deposits, aluminum container recycling should reach a 90% recovery rate.

Total net income to New Jersey centers from present recycling of beverage containers is negligible compared to the value of the increased landfill conservation and disposal cost avoidances which would be achieved under a deposit law.

Under the deposit system, overall municipal waste would be reduced in the order of 5%.

While reduction of container litter remains the primary goal of most groups in seeking a deposit law, a significant added benefit lies in the law's contribution to solid waste reduction. This will ease the burden on shrinking landfills and help minimize the amount of glass and metal going to future energy recovery plants, a necessary step in reducing plant size and insuring trouble free operation.

Objections that the deposit system will be an impediment to recycling are patently false. To the contrary, a deposit law will clearly help New Jersey achieve its recycling goals.

**League of Women Voters of N.J. • N.J. Chapter, Sierra Club
N.J. Environmental Lobby • Recreation and Park Association
Public Interest Research Group • Trout Unlimited • Roadside Council
Appalachian Mountain Club • N.Y. • N.J. Trail Conference**

Can & Bottle Bill Coalition

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NEW JERSEY NEEDS A BEVERAGE CONTAINER DEPOSIT LAW Support A-2606, S-2247

When enacted, a "can and bottle bill" will require a deposit and refund value of ten cents on all glass, metal, and plastic beer and soft drink containers sold in New Jersey. The deposits will create the incentive for the return of containers to stores or redemption centers for reuse or recycling. The law will cause a reduction of litter, an increase in recycling and the conservation of needed landfill space.

A Deposit Law will Achieve :

- 90% Return of containers for reuse or recycling
- 85% Reduction of beverage container litter
- 40% Reduction of total litter
- 5% Reduction of municipal solid waste going to landfills
- Reduced trash disposal costs
- Reduced energy and raw material usage

NINE STATES BENEFIT FROM CONTAINER DEPOSIT LAW

Maine, Vermont, Massachusetts, Connecticut, New York, Delaware, Michigan, Iowa, and Oregon experience the positive effects of the Bottle Bill.

Voters in Maine and Massachusetts rejected repeals of their deposit laws by solid majorities. Polls in other states support similar findings. About 75% of NJ residents support the concept of deposit legislation.

In Michigan, 4500 new jobs were created in the Deposit/Recycling system. Thousands more new jobs have been filled in New York.

THE BOTTLE BILL MEANS MORE JOBS FOR NEW JERSEY TOO!

CAN AND BOTTLE BILL COALITION

84 Paterson Street, New Brunswick, N.J. 08901

NEW JERSEY WANTS A DEPOSIT LAW

Support for a New Jersey beverage container deposit law comes from a wide variety of governmental, professional, public interest and environmental groups and individual citizens as indicated by the listing below:

Government

237 municipal councils by formal resolution (see separate listing)
10 county boards of freeholders by formal resolution (see listing)
72 mayors by formal petition
Palisades Interstate Park Commission
Delaware and Raritan Canal Commission
Pinelands Commission
Morris County Park Commission

Solid Waste

Camden County Solid Waste Advisory Council
Morris County Solid Waste Advisory Council

Agriculture

New Jersey Farm Bureau
Cumberland County Board of Agriculture
Hunterdon County Board of Agriculture
Mercer County Board of Agriculture
Middlesex County Board of Agriculture
Warren County Board of Agriculture
Essex County Board of Agriculture
Passaic County Board of Agriculture

Professional

Public Works Association of New Jersey
New Jersey Association of Towns and Townships
New Jersey Recreation and Park Association

Retail Merchants
Association

Public Interest

League of Women Voters of New Jersey
New Jersey Public Interest Research Group
American Lung Association

5/84
(see over)

Sportsmen

New Jersey Council of Trout Unlimited
Middlesex County Federation of Hunting and Fishing Clubs
Hunterdon County Federation of Sportsmen's Clubs

Environmental

New Jersey Environmental Lobby
Association of New Jersey Environmental Commissions
New York - New Jersey Trail Council
Appalachian Mountain Club
New Jersey Chapter of the Sierra Club
League of Conservation Voters
New Jersey Roadside Council
Garden Club of New Jersey
New Jersey Audubon Society

Media

| | |
|---------------------------|-------------------------|
| Home News, New Brunswick | Trenton Times |
| Star Ledger, Newark | Burlington County Times |
| Bergen Record, Hackensack | |
| Asbury Park Press | |
| Daily Record, Morristown | |
| Courier News, Somerville | |
| Courier Post, Camden | |
| Herald News, Passaic | |

Citizens

26,000 citizen signatures on deposit bill petitions

Other

Many municipal and area environmental commissions, nature clubs, bicycle clubs and other environmental and recreational groups

Can & Bottle Bill Coalition

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BENEFITS OF A DEPOSIT LAW

Container Litter Reduced

Beer and carbonated soft drink cans and bottles are widely considered to be the most obnoxious, least degradable and most hazardous fraction of common litter. They foul our roadsides, parks, playgrounds, empty lots, forests, fields streams and lots. Deposit laws have proven to eliminate around 85% of this debris by providing the incentive for people to return containers to stores or redemption centers for recycling. Containers that thoughtless people still throw away are soon picked up by youngsters or others.

Non-Beverage Litter Cleaned Up, Too

While focusing on one type of litter, deposit laws have a carry over effect which results in a lessening of all types of littering. And by nearly eliminating container litter, they allow the human and financial resources now consumed in dealing with cans and bottles to do a better job in cleaning up paper waste and other debris.

Cleanup Cost Savings

Not only will a better job be done in cleaning up all litter, but less money need be spent by municipal, county and state government and by private landowners in cleanup work. Although total annual litter costs defy calculation, they run into millions of dollars, and the results are often unsatisfactory or short lived.

Recycling Increased

The deposit system results in virtually all glass and aluminum containers being recycled and sets the stage for recycling of plastic containers by causing large quantities of plastics to be concentrated and available on a dependable basis. In New Jersey, the deposit system will cause glass and aluminum recycling to increase from 30,000 tons per year to some 250,000 tons.

Reduction of Solid Waste

By creating the incentive for the return of beverage containers for recycling, deposit laws in other states have resulted in return rates of over 90% and municipal solid waste reductions of around 5%.

Landfill Space Conserved

Solid waste reduction obviously means landfill conservation. Virtual elimination of beverage containers from landfills would be a significant contribution toward stretching out the lifetime of existing sanitary landfills.

More Efficient Energy Recovery Plants

High technology incineration in energy recovery plants requires the maximum elimination of metal and glass in the waste flowing into the burn units. This is needed both to avoid building the plants larger than necessary as well as to facilitate trouble free operation. If these plants are built, the deposit system will help meet this need.

Raw Materials Conservation

Large scale recycling of beverage containers will substantially reduce consumption of bauxite for aluminum, sand and soda for glass and petroleum for plastics. Conservation of raw materials is a basic purpose of recycling.

Energy Savings

By providing for recycling of beverage containers, the deposit system will produce substantial savings in energy. Aluminum cans, for instance, when made from bauxite are extremely energy consumptive, but when made from recycled aluminum, total energy consumed is reduced by over one-half.

New Jobs Created

The handling and recycling of returned containers will create 3000 to 4000 new full time and part time jobs, mostly for unskilled, young, urban and presently unemployed men and women.

