

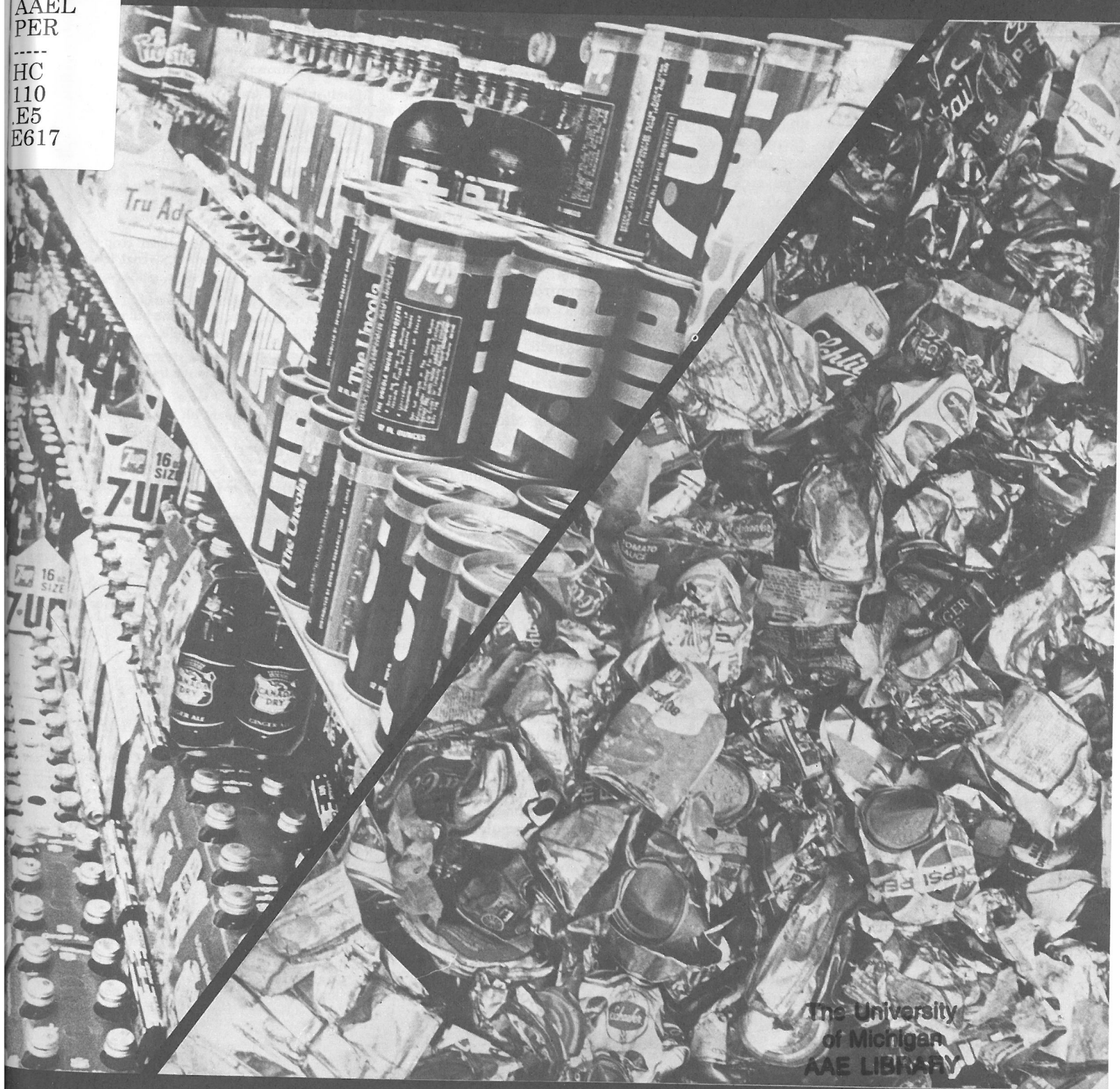
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Administration "pitches in" to outlaw throwaways

By Catherine Lerza



Drawing by Trish Tidmarsh.

The Nixon Administration's environmental image was partially repaired by its May 7 decision to support The Nonreturnable Beverage Container Prohibition Act (S.2062) — better known as simply "the bottle bill."

The decision came as a surprise to all those attending the Senate Commerce Subcommittee on Environment's hearings on the legislation. Pat Taylor, Environmental Action's solid waste coordinator, said nearly everyone in the hearing room was caught off guard. "Environmentalists, and Environmental Protection Agency staff members were delighted, of course, and a bit incredulous." But, she noted, "The industry reps [men from the beverage container and soft drink and beer companies] were stony-faced and silent. They couldn't believe it, either."

Administration support for S.2062 came at the 11th hour. Although the Environmental Protection Agency (EPA) firmly supported the bill, as did the Federal Energy Office, it was assumed that opposition from the Office of Management and Budget, and the Department of Commerce, coupled with some heavy Congressional and industry antagonism, precluded the Administration from taking a positive stand on the measure. When John Quarles, EPA's deputy administrator, came forward to testify, it was expected that his statement would reflect only agency views. But after he answered "yes" to Subcommittee Chairman Frank Moss's (D-Utah) question, "Does this statement reflect the views of the entire Administration," environmentalists found themselves in a unique position: aligned with the Administration in a fight with industry.

Modeled after Oregon's successful legislation, the bill sets a mandatory deposit on all soft drink and beer containers to encourage the use of reusable containers. It also bans pull-tab openers and thus effectively eliminates standard beer and soft drink cans.

Environmentalists contend the bill is an energy-saver and a step toward rejecting "a misguided attitude" toward natural resources and the environment, as Senator Mark Hatfield (R-Ore.), the bill's author and principle sponsor put it. At the subcommittee hearing, he stressed "closing the circle" of resource use. "We have been making technological choices that have displaced products and processes that fit in with the cycles of nature," he said.

While environmentalists extolled the need to develop a new resource-use ethic, industry spokespersons fell back on their favorite phrases: "People start pollution — people can stop it," and "The non-returnable container was developed in response to consumer demands. To eliminate it is to eliminate free trade and freedom of choice in the marketplace."

Representatives of American Can Co., the Glass Container Manufacturers Institute, the National Soft Drink Association, Reynolds Metals and Seven Up all expressed their longstanding concern with litter and emphasized that S.2062 would not end the litter problem. "Litter is a definite problem of society," testified New York Seven Up Bottling Co. Chairman Sidney Mudd, "... an unnecessary product of human carelessness. Solid waste is the necessary product of human life." He, as did other soft drink industry witnesses, went on to explain the difference between solid waste and

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Photo by Daniel Brody.

litter, and contended that municipal solid waste is only marginally affected by the presence of beverage containers. Thus, the legislation, in their eyes, solves no meaningful problems. To attack what they term "real" problems, Mudd and others urged the passage of statewide anti-litter laws, increased public education and the installation of "total systems" resource recovery systems in major U.S. cities.

Robert Testin, director of environmental planning for the Reynolds Metal Co., described the energy (and economic) savings possible through the implementation of resource recovery systems and the development of large scale recycling within industry. "We believe that it cannot be demonstrated that this law will succeed in reducing the costs of litter or solid waste control and that calculated energy savings would be minimal at best," he told the subcommittee. "We believe that resource recovery holds the key to solving these problems and we in the aluminum industry have been assuming a leadership role in the recycling of our product and assisting in the broader problem of recycling all the nation's solid waste."

Environmentalists are categorically opposed to complete reliance on resource recovery as the solution to solid waste-related problems. "These arguments always break down in the same way," Pat Taylor says. "Environmentalists and citizens who have been involved in local recycling efforts know that source reduction — reducing the amount of solid waste generated — is the cheapest, the fastest and the most ecological means of attacking the problem." Sharing Taylor's view is Eileen Claussen of EPA's Office of Solid Waste Management (OSWMP). No recycling system is as good environmentally as source reduction, she explains, because every production system causes some environmental impact. The use of returnable/refillable containers saves energy, generates less solid waste and uses fewer resources than does producing a new can or bottle.

EPA's Quarles told the subcommittee beverage containers are the fastest growing component of the solid waste stream — increasing by eight percent a year — a fact which counters much of industry's soft-peddling of the importance of containers in dealing with solid waste problems. He pointed out that a returnable/refillable system would save the equivalent of 92,000 barrels of oil a day.

Speaking for a coalition which included Environmental Action, Friends of the Earth, the Sierra Club, Environmental Lobby, the League of Women Voters, Concern Inc., the Center for Science in the Public Interest and the National Wildlife Federation, Thomas Kimball, executive vice president of the National Wildlife Federation, explained that throwaway containers "squander limited energy resources on needless packaging in a period of national and international energy shortages." Kimball said the energy wasted in the U.S. in 1971 on beer and soda containers exceeds the combined energy needs of 15 countries in Africa, Asia and Central America where per capita energy use is less than 1000th of that in the U.S. The energy savings possible through container deposit legislation, according to Kimball, would take effect almost immediately after enactment because they require "minimal dislocation and expense to implement."

The environmental groups testified that consumer savings are inherent in a return to the refillable system. Statistics compiled by the *Beverage Industry Manual 1973-1974* show that the major expense in the production of beer is not ingredients or transportation, but packaging. Ingredients in a barrel of beer account for only 12 percent of its cost while packaging accounts for 56 percent — cost which is passed on to the consumer. Kimball also quoted J. Lucian Smith, President of Coca-Cola USA, who recently told the Senate Judiciary Committee, "Coke sold in food stores in non-returnable packages is priced, on the average, 30 to 40 percent higher than Coca-Cola in returnable bottles. The difference lies essentially in the different costs of packaging."

The beverage and can industries believe that packaging is "inextricably interwoven in the matrix of our economy" and can be equated with increased agricultural productivity and good nutrition. According to William May, chairman of the American Can Co., the U.S. "has outgrown a returnable system" and to impose one on the nation now would mean economic disaster. "We must comprehend, as a nation that the solutions also lie, to a very large degree, in technology . . . We oppose any reduction in productivity."

But some beverage manufacturers are more open about the motivation of their industry's fight against the bottle bill. William Coors, president of Adolph Coors Brewing Co., recently said, "No one in industry wants container deposits. But I have come to the conclusion that we must answer the needs of society." He also revealed that the brewing industry has spent a minimum of \$20 million a year to fight container legislation. Coke's J. Lucian Smith echoed Coors's statement when he commented, "Returnable bottles offer the best value to the consumer and returnable bottles provide the most ecologically sound method of distributing soft drinks. These bottles significantly alleviate the solid waste disposal problems of communities across the country." (Despite Smith's candid testimony, Coca Cola does not support mandatory beverage container deposits.) And N.E. Norton, president of Dr. Pepper/Royal Crown Cola, has refused to join the National Soft Drink Association. Why? The association's anti-container deposit stance.

Although the big guns of the container and beverage industries are lined up behind throwaways, claiming a deposit on their product would violate the tenets of free trade, many small, independent bottlers support the idea because they are being forced out of business by ever-expanding corporate giants like Coke and Pepsi. And the instrument of this expansion is the throwaway container.

In 1950 there were 407 breweries in the U.S., but by 1966, there were only 115 and today only 64 are left. *Fortune* magazine predicts that only 30 will remain by 1980. The soda bottling story is the same. In 1947 there were 5200 soft drink bottlers; in 1970 the number had dropped to 1600. *Softdrinks*, an industry journal, estimates that another 1000 bottlers will go out of business by 1980.

What is responsible for the decline of the small bottler and brewer? According to Peter Chokola, owner of a small bottling company in Wilkes-Barre, Pa., ". . . the economically powerful parent franchise companies acting in concert in many areas of the country have removed the more economical and ecologically sound returnables from the realm of consumer choice." A returnable deposit bottle system "imposes a natural limitation on the market area served by any bottling plant," Chokola explains, the limitation being the distance a delivery truck can carry filled bottles and return with empties. "Thousands of small and medium hometown bottling plants were therefore necessary to market beverages," Chokola told the Senate. But the big bottlers began to recognize the benefits inherent in a system in which products could be shipped out without any need to return empties. The rise of the throwaway "provided the medium through which monopolization of the soft drink industry could be achieved," Chokola says. "Discard the returnable/reusable deposit bottle system and the thousands of small and intermediate bottlers will no longer be needed."

A study prepared for the Environmental Protection Agency by the Research Triangle Institute reached the same conclusion: the monopolization of the brewing industry was "encouraged and permitted by the introduction of non-returnable containers."

Chokola says the decline of the small bottler was brought about mainly by the failure of the large bottlers to support an increase in deposits from two cents to five cents in the mid-1960s. The economic loss involved could not be sustained by small bottlers, but did not injure large companies. Large companies also temporarily priced throwaways below-cost in order to wean the consumer away from the returnable. Because they could sustain the temporary financial loss, the end result was disaster for the small bottler.

N.E. Norton of Dr. Pepper/Royal Crown pointed out that a continuation of the throwaway trend could be disastrous in terms of natural resources. "Soda ash shortages have so disrupted glass bottle production in Great Britain that British liquor and beer, soft drink, food and pharmaceutical houses are begging consumers to return glass containers, refillable or not," he told the Senate subcommittee. William Coors recently testified in favor of an Idaho bottle bill and told legislators there, ". . . we aren't going to have the materials in which to market our product if we don't start getting our containers back."

Perhaps the most telling comment concerning the bottle bill is the enthusiasm with which Oregonians describe the

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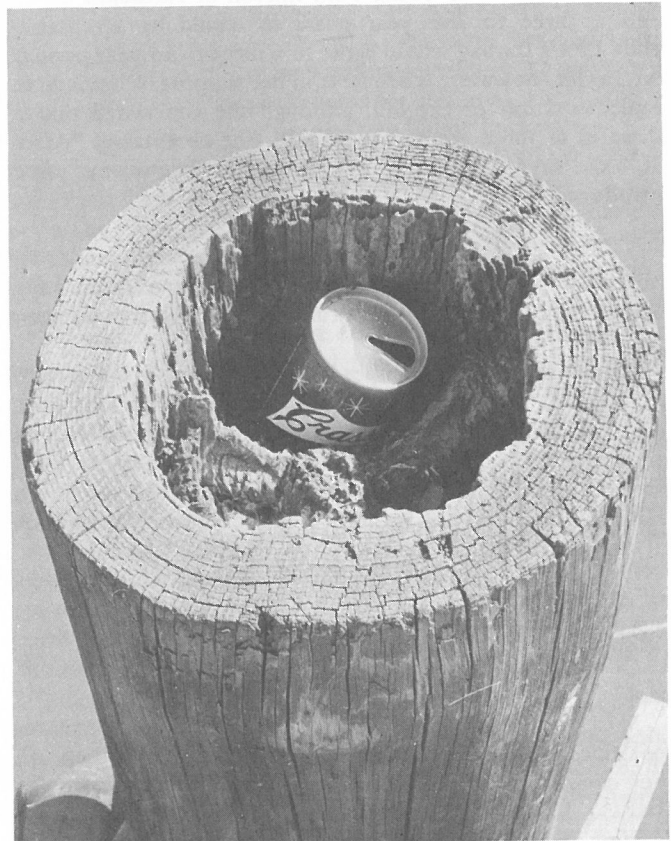


Photo by Laura Lawson, courtesy U.S. Environmental Protection Agency, Office of Solid Waste Management Programs.

effect the bill has had on Oregon. "To state the outcome simply: 'it's working.' Litter has been reduced drastically. Consumers are saving money and Oregonians are pleased and proud of the results," Don Waggoner of the Oregon Environmental Council told the subcommittee. He also explained that the law had been declared constitutional. The Oregon Supreme Court in February of this year upheld a lower court which had ruled that the bill does not impede commerce in any way. Waggoner expects that if the matter is appealed to the U.S. Supreme Court, the Oregon decision will be upheld.

It was against this framework of conflicting opinions and goals that the Nixon Administration reached its decision to support the bottle bill. "We were surprised," Hatfield's legislative aide, Tom Imeson, told *Environmental Action*. "We hope to turn the Administration's action into solid support. I think it was the Oregon experience that brought about the Administration's change of heart," he said. (Two years ago national container legislation never quite got off the ground and failed to garner Administration support.)

EPA's Deputy Assistant Administrator for Solid Waste, Arsen Darnay, was more philosophical about his agency's victory. "We built a strong case for the environmental benefits of the bill and the facts carried it through. When energy savings and environmental interests coincide, you are in a good position," he said.

The only hurdle environmentalists have left to overcome is the idea of a "phase in" period for the bill recommended by the Administration. Rather than implementing the bill immediately, the Administration would like to see it phased in over the next three to 15 years. Tom Imeson of Hatfield's office feels a three to five year phase in would be acceptable while EPA's Darnay would agree to a three to 15 year period. Pat Taylor, however, is adamant in her support of immediate implementation of the bill, although she conceded that a phase in of three years at most might be acceptable. "After all," she says, "it's been 15 years since throwaways were introduced."

As the bottle bill gains strength, industry must revamp its defensive strategy. One Commerce Committee aide gleefully noted, "They're running scared. I've never seen them like this."

Right now, many container industry officials are in a state of disbelief. "No comment," was all American Can Company Vice President Norman Dobyms could muster when asked to respond to the Administration's turnabout. Tom Baker of the National Soft Drink Association (NSDA) refused to believe that the Administration position was a solid one. "We are not all that certain what their position really is," he told *E.A.* NSDA does not support mandatory deposits, claiming that "a total recycling system for all solid waste, along with recovery and reuse is the best solution." Baker says that litter is "another problem, one which concerns the habits of people."

Most soft drink, brewing and container industry representatives are very concerned about litter; in fact, they use their overriding concern with litter as a major objection to the Hatfield bill and others like it. Although Keep America Beautiful's (KAB) Roger Powers claimed ignorance of the Hatfield bill or of the Administration's position, he did admit that (KAB) had testified at hearings on a similar bill in

California. Container deposit legislation "places undue attention on items of litter and this takes away from the real problem which is people's behavior. Litter is a people problem," Powers told *E.A.* KAB's solution is the familiar "total systems approach" and to that end KAB has designed an Action Research Model, a prototype program set up to deal with "attitudes that lead to littering."

While supporters of the Hatfield bill are concerned about litter, they do not see it as the major problem confronted in the legislation. "A laundry list exists where blind obedience to technology has created a host of problems. The beverage container area provides the chance to reject this throwaway ethic spawned by the idolatry of technology," Mark Hatfield recently remarked.

Aided by an unexpected ally, the Nixon Administration, environmentalists, disgruntled recyclers and legislators are working with renewed enthusiasm to replace the throwaway ethic with an environmental ethic. ■

WHAT TO DO:

Write Senator Warren Magnuson (D-Wash.), Chairman, Senate Commerce Committee and Representative John Moss (D-Calif.), Chairman of the House Subcommittee on Commerce and Finance, letting them know of your support for national beverage container legislation. In addition, write your legislators, asking them to support or co-sponsor S. 2062 and H.R. 9782.

Consumer pressure is one of our greatest weapons in the fight to restore returnables. Buy only returnables and boycott those outlets where they are not available.



Photo by Daniel Brody.