

MANDATORY DEPOSITS ON BEVERAGE CONTAINERS—OVERSIGHT

HEARING
BEFORE THE
SUBCOMMITTEE ON
TRANSPORTATION AND COMMERCE
OF THE
COMMITTEE ON
INTERSTATE AND FOREIGN COMMERCE
HOUSE OF REPRESENTATIVES
NINETY-FIFTH CONGRESS
SECOND SESSION
ON
MANDATORY DEPOSITS ON BEVERAGE CONTAINERS

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out of competition, and well over ten thousand workers lost their jobs, thanks to "no deposit, no return".

Very truly yours,

CALVIN DAHM.

ECOLOGY CENTER OF ANN ARBOR,
Ann Arbor, Mich., September 5, 1978.

Re H.R. 7155.

To: Members of the House Subcommittee on Transportation and Commerce.
From: Ecology center of Ann Arbor.

The Ecology Center of Ann Arbor is strongly in favor of Rep. James Jefford's H.R. 7155, which would place mandatory deposits on soft drink and beer containers nationwide. We believe that this legislation would save energy and materials, as well as lead to the creation of jobs in the soft drink and beer industries.

A recent study conducted by the congressional Office of Technology Assessment indicated that the country would save approximately 80,000 barrels of oil per day under a mandatory deposit system. Such findings are in agreement with numerous studies which have been prepared on state deposit laws.

The Michigan electorate overwhelmingly passed a mandatory deposit law in 1976, and the law is scheduled to take effect in December of this year. A 1975 study prepared by the Michigan Public Service Commission predicted an energy savings of from 4.3 to 12.7 trillion BTUs per year following implementation of the Michigan law. By 1985, the study concluded that Michigan would be saving as much as 16 trillion BTUs per year. In addition, the study predicted a net increase of 4,142 to 8,119 Michigan jobs.

These predictions are consistent with "after-bottle bill" studies prepared following implementation of container deposit laws in Oregon and Vermont. In both these states, significant savings in energy and materials, reductions in litter and increases in jobs have been verified by independent consultants.

The Ecology Center believes that passage of H.R. 7155 would lead to the same positive effects nationwide. However, it is our belief that language should be added to the bill to mandate that beverage container deposits begin with beverage manufacturers, rather than distributors. With the addition of such language, an added incentive would be created to bring about a shift to returnable, refillable bottles for soft drinks and beer.

An important intent of mandatory deposit legislation should be a shift from throwaway soft drink and beer containers to refillable containers. Although container recycling provides energy and materials savings when compared to a throwaway beverage container system (and reduces litter and solid waste volumes), we feel that a shift to refillables is preferred. Not only would a nationwide system of refillable soft drink and beer containers cut down on solid waste and litter, but also provide resource savings lacking in a "controlled recycling" system.

In Michigan, the container manufacturing industry has taken steps to implement "controlled recycling" rather than shift to refillables when the Michigan container deposit law takes effect in December. The reason for this is simple—they would prefer making as many containers as possible, regardless of the Michigan voter's preference for resource-saving refillables. The Glass Packaging Institute and the Aluminum Company of America, for example, are working toward elaborate recycling schemes which will impede changes in the packaging mix for beer and soft drinks, while ensuring a steady stream of recycled containers for use in the manufacture of new bottles and cans.

The container industry is able to behave in this manner because of the wording of the Michigan deposit law. The law requires that soft drink and beer distributors charge deposits on the beverage containers they ship to retailers, and that the retailers in turn charge the deposit to consumers. When containers are returned for deposit, they may end their trip back with the distributors, instead of brewers and soft drink bottlers. Since the deposit system is allowed to begin and end at this point, the distributors may do whatever they please with the returned containers, including shipping them to landfills.

If the Michigan law had been written to provide a deposit system which begins with brewers and bottlers rather than distributors, we would not be experiencing this problem. Such a deposit system would provide impetus for beverage manufacturers to use refillables, since they would be required to accept used containers

back at breweries and bottling plants. We believe that manufacturers would find it more economical to simply purchase refillables for repeated use, rather than purchase new containers and dispose of the old containers which are continually arriving at the manufacturing plants.

Like the Michigan law, the current version of HR 7155 calls for a deposit system which begins with beverage distributors (Section 5). In order to facilitate a shift to refillables, we would urge the adoption of an amendment to require that deposits begin with manufacturers. Such an amendment would be in the form of a subsection (c) under Section 5: "A manufacturer shall pay to a distributor the amount of the refund value affixed, in accordance with section 4, to any empty and unbroken beverage container tendered by such distributor to such manufacturer which container contained the brand of beverage sold by such manufacturer to such distributor at any time during the period of one year immediately prior to the date of such tender."

In addition, a new subsection under Section 3 (Definitions) would be required, to define "manufacturer." The Michigan law defines a manufacturer as "a person who bottles, cans, or otherwise places beverages in beverage containers for sale to distributors, dealers or consumers."

We sincerely hope that Subcommittee members will consider the addition of such language to HR 7155, to provide the incentive necessary for a nationwide shift to refillable soft drink and beer bottles.

Sincerely,

DAVE LYNCH.

THE GRISWOLD CONSERVATION COMMISSION,
September 29, 1978.

Mr. R. LITTLE,
Counsel to the Subcommittee on Transportation and Commerce,
Washington, D.C.

DEAR SIR: This Commission and its individual members worked hard for a "Bottle Bill" in Connecticut which passed and will become effective January 1, 1980.

This bill in Connecticut will make our "Rid Litter Day" more productive. We organize a day for picking up litter in our town, most of which is bottles and cans. For this personal reason, we supported a Connecticut Bill to cut down on the bottles and cans picked up since our no littering fines were not effective.

From a State point of view, municipal solid waste disposal is becoming an obvious problem which must be addressed. Again we find the bottles and cans from our throw-away culture.

National problems of resource conservation, although not accepted as a problem by the majority, are even more threatening to our way of life. Energy and minerals are too vital to be thrown away.

We support a National Bottle Bill and encourage our Representatives in Washington to do likewise.

Very truly yours,

WILLIAM G. THOMPSON,
Secretary.

SAN DIEGO, CALIF.
September 21, 1978.

Attention: Dick Little, counsel to subcommittee.

Hon. FRED ROONEY,
Chairman, House Subcommittee on Transportation and Commerce,
House Office Building, A2
Washington, D.C.

DEAR CONGRESSMAN ROONEY: The following is offered as my testimony for the record of hearings by your Subcommittee on the matter of a national deposit law.

The energy shortage and the oil embargo of a few years past point out the serious problems that our country faces in meeting our basic needs for energy for industry and private citizens. With these serious matters to face, it is simply unacceptable for us to retain a status quo that permits vast amounts of energy to be wasted on the manufacture and subsequent disposal of enormous numbers of throw-away containers.

As a nation we cannot excuse practices that force schools and businesses to close because of an energy shortage while we allow energy to be wasted on superficial matters like one-way containers.