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HEARING BEFORE ENVIRONMENTAL COMMITTEE OF  
THE SUFFOLK COUNTY LEGISLATURE ON THE PROPOSED  
BEVERAGE CONTAINER ACT, HELD ON THE 16TH DAY OF  
APRIL, 1974 AT 9:00 A.M., IN THE AUDITORIUM OF  
THE PLANNING BUILDING, VETERAN'S MEMORIAL HIGHWAY,  
HAUPPAUGE, NEW YORK.

A P P E A R A N C E S:

HONORABLE JOHN V. N. KLEIN, County Executive

MICHAEL J. GRANT, Presiding Officer, 10th District

H. BEECHER HALSEY, JR., Deputy Presiding Officer,  
2nd District

REGIS B. O'NEIL, JR., Committee Chairman,  
17th District

MARTIN J. FELDMAN, Legislator, 15th District

THOMAS J. DOWNEY, Legislator, 11th District

JOSEPH R. CAPUTO, SR., Legislator, 9th District

LOUIS A. FUOCO, JR., Legislator, 3rd District

JOHN C. WEHRENBERG, Legislator, 8th District

W. BROMLEY HALL, Legislator, 18th District

SYD ASKOFF, Legislator, 12th District

FLOYD S. LINTON, Legislator, 4th District

JOSEPH F. BASSANO, SR., Legislator, 13th District

MARTIN J. FEENEY, Legislative Aide

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[THE HEARING WAS CALLED TO ORDER BY MICHAEL J. GRANT, PRESIDING OFFICER OF THE SUFFOLK COUNTY LEGISLATURE, AT 9:30 A.M.]

MR. GRANT: May I have your attention, please. As to the procedure today, we will alternate the pro and con speakers. This will give everyone a chance to be heard. Each speaker should fill out a card if he wishes to speak. We intend to review all written testimony as submitted, so try to limit your oral remarks to most important points. If you have anything to add later, we will accept any supplementary testimony that is sent to my office within thirty days.

Once everyone has had a chance to speak, we will be willing to listen to any additional oral comments or presentations.

At this time, we will ask Commissioner Flynn for opening remarks.

COMMISSIONER FLYNN: The first public hearing relative to the ban on non-returnables was held in this room April 21, 1972. We heard arguments pro and con, and promised to study the proposal and all its implications and return at a later date to give our recommendations.

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1 Almost two years have passed and the  
2 non-returnables are still with us. I can't be  
3 certain, but I would guess that if in that two  
4 year interval all the cans that have been  
5 thrown onto Suffolk's roads, fields and water-  
6 ways were to be placed last evening around this  
7 Hearing Room, the Hearing would be cancelled  
8 for a week just to clear a path to the front  
9 door.

10 The Legislative charge to the DEC  
11 was to investigate the problem and submit a  
12 dispassionate and rationale report. Doctor  
13 Fischer has done an excellent job of just that.  
14 His reports and his comments contain the  
15 objectivity expected from scientists.

16 However, I do not intend to be  
17 constrained by a dispassionate view of the  
18 problem. I am pro can ban. I am biased  
19 against litter and I am non-objective when it  
20 comes to insults to the environment.

21 I have read and listened to the  
22 threats, pleas and cajolings of private  
23 industry in defense of their fouling of our  
24 land, water and air for nearly three decades.  
25 The arguments never vary. Any measure intended

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1 to halt their deprivations of our environment  
2 will lead to economic disaster, increased costs  
3 and deprivation to the public of their overly  
4 advertised products.

5           Meanwhile, be it an industrial waste,  
6 detergent or non-returnable container,  
7 industry's thrust has never been to solve the  
8 problem at its source, but rather to resort to  
9 inciting public and political pressures and,  
10 finally, if these maneuvers fail, to resort to  
11 the courts.

12           We labored five years documenting the  
13 obvious to show that synthetic detergents  
14 polluted our ground water and surface water  
15 before we succeeded in procuring a ban on  
16 detergents. The dire predictions and outright  
17 lies by industry failed to materialize --  
18 clothes in Suffolk are still clean, housewives  
19 have long ago adjusted to the use of soap.

20           Sure you will hear of bootlegging,  
21 et cetera; but more importantly, our stream  
22 and well monitoring programs are showing a  
23 steady and significant trend in improved water  
24 quality. We can now look forward to the day  
25 when detergents are a rare substance in our

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1 waters.

2 The act to ban detergents required  
3 our Legislature to take a bold step on the  
4 recommendations of a handful of engineers and  
5 scientists. It required our residents to  
6 change long ingrained habits established by  
7 the hypnotic gibberish of TV commercials; but  
8 it was worth it. Our streams and ground waters  
9 are recuperating.

10 I cannot take an unbiased view of  
11 the throw-away can or container. It is every  
12 place I look and everywhere I go; roadsides,  
13 fields, marshes, woodlands, lakes, streams and  
14 even on the bottom of our bays, inlets, Sound  
15 and ocean. Even if we were to pass this law  
16 today, we would be cursed with the omnipresent  
17 throw-aways for decades to come. If we do not  
18 call a halt now, we can project the problem to  
19 a point in time where we could not get a can  
20 of beer because we could not get through the  
21 empty beer cans between the home and the local  
22 deli.

23 Doctor Fischer will present the hard  
24 facts of energy conservation, resource recovery,  
25 costs and environmental benefits, as well as

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the contents of the law.

I will only point out, in conclusion, that I fully understand the inclinations of industry relative to inconvenience and cost to the Suffolk residents. However, by their past performance, I am firmly convinced that the average Suffolk resident, given the alternate, will opt for land and seascapes free of the ubiquitous beer can, in place of some inconvenience and even increased cost.

Regretfully, three decades of dealing with industry has only served to make me the complete skeptic when they voice concern with the common good including the environment versus corporate profit.

Thank you.

MR. O'NEIL:

Thank you, Commissioner Flynn. I would like to introduce Doctor Harris Fischer, who will give us an introduction on the proposed law.

DOCTOR FISCHER:

I am Harris Fischer, Environmental Physicist for the Suffolk County Department of Environmental Control. This morning I will discuss the content of the proposed beverage container control law and some of its

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1 implications.

2 My comments will cover three areas:

3 First, the reasons for proposing the law;  
4 second, the content of the law itself; and  
5 third, the uncertainties we face in considering  
6 such a law.

7 To begin with the reasons for proposing  
8 the law, I will be brief; a more detailed  
9 discussion will be available in printed form.

10 We are all concerned about resources;  
11 these days we are particularly concerned about  
12 energy. Manufacturing a beverage container  
13 requires more energy than any other step in the  
14 beverage cycle -- and that includes the truck  
15 deliveries and return of empties. So the most  
16 effective way to conserve energy in the beverage  
17 cycle is to reuse containers.

18 We are all concerned about litter.  
19 The beverage industry has spent a great deal of  
20 effort on anti-litter campaigns. But they do  
21 not seem to have solved our litter problems.  
22 Beverage containers make up a large portion  
23 of litter and are among the most objectionable  
24 forms of litter. But if they are worth  
25 money -- as a refund -- someone will bring them

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1 back. We could argue about how big the  
2 deposit has to be, but I think the point I am  
3 making is elementary. In fact, you may hear  
4 complaints today from retailers that people  
5 will bring them back too well.

6 We are all concerned about solid  
7 waste. The beverage industry has, to its  
8 credit, pushed for resource recovery. Here in  
9 Suffolk, our three western towns are already  
10 investigating resource recovery possibilities  
11 in their joint venture into solid waste  
12 management. I thoroughly support resource  
13 recovery as a vital part of any comprehensive  
14 solution to solid waste problems. But it is  
15 only a part. The best way to deal with solid  
16 waste is simply not to generate it in the first  
17 place. The refillable container does just this;  
18 every time it is reused, it replaces a bottle  
19 or can that would have become solid waste.

20 We are all concerned about costs.  
21 Right now, beverages in returnable containers  
22 cost less in Suffolk than beverages in throw-  
23 aways. That is because every container we  
24 throw away costs us roughly a nickel. Even  
25 including the extra handling costs for

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1 reusables, they should be cheaper in the long  
2 run, just as they are now. In the short run,  
3 the process of converting from throwaways to  
4 refillables could, of course, cause problems;  
5 but in the long run, consumers should save  
6 money with refillables.

7 Finally, we are all concerned about  
8 the environment. I believe that the symbolic  
9 value of this action to clean up the  
10 environment and conserve its resources will have  
11 a significant psychological effect. We must  
12 learn to think in terms of the consequences  
13 of our life-styles. To put it the other way  
14 around, if we cannot take this simple step  
15 toward sound environmental living, what are the  
16 chances of solving our more difficult problems?

17 I have touched on some reasons for the  
18 proposal. What does the proposal actually do?

19 Basically, it requires a deposit of  
20 ten cents on all beverage containers. For the  
21 purposes of the law, beverage means beer and  
22 soda. For a container that is standardized and  
23 reusable -- which the law calls "certified" --  
24 it allows a lower deposit of five cents to  
25 encourage standardization and to simplify life

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1 for storekeepers, by reducing the sorting  
2 required.

3 Please notice that no one is forced to  
4 use any particular kind of container, and nothing  
5 is banned -- except the hazardous pull-tab.  
6 And the industry is already field-testing a  
7 convenience opening for cans to replace the  
8 pull-tab.

9 The deposit provision is intended to  
10 reduce litter and to give the refillable  
11 container a new chance in the marketplace by  
12 providing an economic incentive for its use.  
13 If manufacturers and distributors take advantage  
14 of that incentive by using refillables, they can  
15 lower their total operating costs. If they  
16 choose not to, beverage costs will probably go  
17 up. It is their choice.

18 The intention, of course, is to  
19 encourage an orderly switchover to refillable  
20 containers, but without being unnecessarily  
21 strict. However, even without any switchover,  
22 littering should decrease, resources will be  
23 collected centrally, and people will be  
24 thinking more about the environmental conse-  
25 quences of their purchases.

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1 The law's additional provisions are  
2 there to help the deposit system work:

3 They call for labeling to identify the  
4 containers sold in Suffolk. This will prevent  
5 outsiders from trying to make money at the  
6 expense of distributors operating here.

7 They require retailers to accept  
8 returned containers of the type they stock, so  
9 consumers will be able to get their money back  
10 conveniently.

11 They provide for a study of the  
12 environmental and economic effects of the law.

13 They provide for enforcement by rules,  
14 hearings and penalties.

15 The proposal, as many people here will  
16 recognize, is basically the same as Oregon's law  
17 which has been in effect for over one and one-  
18 half years. Together with four county  
19 legislators, I visited Oregon to witness the  
20 effects of that law. I think it would be fair  
21 to summarize our impressions by saying that the  
22 law basically appeared to work and that the  
23 problems, while real, were not nearly as serious  
24 as they have been made out to be.

25 Let me move now to the uncertainties

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1 of our situation today. It would be unfair and  
2 unwise to claim that the proposed law will  
3 cause no problems, or even that we are positive  
4 how well it will work. Nothing in life is  
5 certain, and there are legitimate questions  
6 about the possible effects of adopting this law.

7 Of course, that is one of the reasons  
8 for this Hearing. In fact, I have already had  
9 suggestions for several possible modifications  
10 that might improve the proposal.

11 The main uncertainties are economic.  
12 The effects on businesses and therefore on the  
13 consumer are difficult to predict exactly.  
14 Oregon (whose beverage law does not appear to  
15 be working as well); and neither Oregon nor  
16 Vermont are the same as Suffolk County.

17 Our populations are roughly  
18 comparable: Suffolk's 1.2 million population  
19 falls between Vermont's half million and  
20 Oregon's two million. The beverage industry is  
21 not likely to abandon a market that consumes --  
22 as we do -- in the neighborhood of a million  
23 beverage containers a day. That is why their  
24 representatives are here today.

25 But some of the differences in these

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1 three areas are significant. Oregon has a  
2 local beer industry and was consuming a  
3 sizable percentage of its drinks in returnable  
4 containers before the law went into effect.  
5 Suffolk, on the other hand, is much closer to  
6 a completely throwaway economy in beverages --  
7 though we do have a number of specialty stores  
8 for deposit beverages.

9 What this means is that there may be  
10 less competition in Suffolk to hold down prices  
11 through the economics of returnable containers;  
12 and that industry's cost of converting to  
13 refillables can be more important here. But  
14 conversion costs are capital expenditures --  
15 of the sort that industry engages in whenever it  
16 buys any new equipment -- and they are tax  
17 depreciable. Also, nothing in the law forces a  
18 company to make this conversion more rapidly  
19 than it can afford to. Whether these costs are  
20 absorbed or passed along, once the conversion  
21 is accomplished, beverages in refillables should  
22 be cheaper than in throw-aways -- just as they  
23 are now.

24 The other side of the coin would be  
25 a refusal to convert to refillables at all. In

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1 Vermont, reports indicate that -- while the  
2 soft drink industry has committed itself to  
3 conversion and is experiencing high return  
4 rates for its refillable bottles -- the malt  
5 beverage industry has continued to use throw-  
6 aways and has simply increased prices. This  
7 looks like a case of an industry choosing to  
8 bring problems on itself. That kind of problem  
9 no legislation can cure.

10 There are other potential problems.  
11 Retailers will have to find room to store  
12 returned containers and they may require extra  
13 labor. Small stores that sell large amounts of  
14 beverages may feel this acutely; on the other  
15 hand -- as we learned in Oregon -- those  
16 empties may be returned to the larger stores  
17 instead.

18 With storage problems go problems of  
19 sanitary conditions. The handling of returns  
20 will add to the problems of cleanliness and  
21 pest control for stores, and for distributors  
22 as well. But it will not create the problems;  
23 they exist already and are something that  
24 food industries always have to deal with.

25 Another possible problem could occur

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1 at the county border, so we have included a  
2 label requirement to prove that the container  
3 qualifies for the higher Suffolk deposit.  
4 This label creates some work for manufacturers  
5 and distributors, I agree, but I believe it is  
6 a feasible requirement. I have brought with me  
7 a can specially stamped for the State of West  
8 Virginia, which has a population roughly the  
9 same as Suffolk's. It deals with a West  
10 Virginia tax, but I think it makes the point:  
11 Containers can be and are being specially  
12 labeled.

13 What might be simpler would be for  
14 distributors to supply high deposit labeled  
15 containers over a larger area, and simply  
16 charge the higher deposit. A change in the  
17 law's wording to allow for this situation is  
18 one of the possible improvements I have been  
19 considering.

20 Other concerns about the law could be  
21 dealt with, for example, by limits on the  
22 number of returns a store must accept,  
23 regulations for cleanliness of returns, and  
24 so on.

25 We will certainly be hearing more

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1 about these possible problems from industry  
2 representatives, but I would urge them to  
3 think in terms of ways they can be overcome  
4 within the framework of the law. I have asked  
5 for such suggestions in the past, but have not  
6 received any.

7 The industry's position appears to  
8 be that the law would be catastrophic, so  
9 there is no point in trying to improve it.  
10 However, my experiences in Oregon -- as well as  
11 many authoritative studies -- do not bear out  
12 the prophecies of doom. So I remain skeptical:  
13 While I believe there will be problems, I am  
14 not at all convinced that they will be  
15 unmanageable.

16 I have no quarrel with the industry's  
17 right to protect its interests, but in closing  
18 I would make three points about those interests.  
19 First, it's always easier to say "It can't be  
20 done", than to consider how it can be done.  
21 Suffolk has been through this experience  
22 already with its detergent ban. Second, the  
23 refillable container may well be favorable to  
24 the beverage industry's interests. There are  
25 many people within the industry -- both in the

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1 U. S. and in Canada -- who believe that it is.  
2 Third, the beverage industry is only part of  
3 our society; despite the way things sometimes  
4 appear, it is not the largest part of our  
5 society either. We have a responsibility to  
6 think in terms of the well-being of the entire  
7 society, and the environment that is its life  
8 support system.

9 To quote from an editorial supporting  
10 Oregon's beverage container law in Package  
11 Engineering, March 1974, "... no one has a  
12 constitutionally-protected right to go on  
13 marketing buggy whips -- our 'buggy whips' being  
14 packages that the public won't accept. Instead  
15 of fighting the restrictions in the same way  
16 the wood box interests once fought the coming  
17 of corrugated, all this talent and the  
18 management behind it should strike out for new  
19 packaging. There is no other choice. The  
20 new ethic is coming to stay."

21 Thank you.

22 MR. O'NEIL:

23 Thank you, Doctor Fischer. Before  
24 opening the meeting to the floor, I would like  
25 to ask everyone who is speaking to try, as much  
as possible to limit their remarks to five

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1 minutes so everyone can be heard here today.

2 I would like to recognize the first  
3 speaker, Mr. Rudolph Kassman, representing the  
4 Seven-Up Bottling Industry.

5 MR. KASSMAN: I would just like to make a few  
6 remarks as to what this would mean to the  
7 industry as a whole, other than the monumental  
8 task that it would be in changing over to this  
9 new packaging.

10 This, I feel, would not only create  
11 a monumental burden upon the industry, but  
12 upon the distributors of the bottles, them-  
13 selves. Seeing as we do make our living here  
14 and we spend our money here, this would  
15 really create a burden on us, I think.

16 MR. O'NEIL: Thank you, Mr. Kassman. I would  
17 like to recognize, at this time, Doctor  
18 Jeffrey Wenig, representing the Town of  
19 Huntington.

20 DOCTOR WENIG: County Executive Klein, members of  
21 the Legislature, ladies and gentlemen, my name  
22 is Doctor Jeffrey Wenig, and I am Director of  
23 the Town of Huntington's Department of  
24 Environmental Protection.

25 Rather than having me make a

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1 statement, I am pleased to present to you a  
2 young lady who was shown a mature understanding  
3 and a genuine concern about so many environmental  
4 problems that we are faced with, and is a  
5 leader amongst her peers in an effort to bring  
6 about solutions to these problems.

7 Miss Susan Austin will make a brief  
8 statement which reflects not only her thinking  
9 and those of the people that she represents,  
10 but of my department and of the Town of  
11 Huntington.

12 I thank you.

13 MISS AUSTIN:

14 Mr. Chairman, members of the County  
15 Legislature, ladies and gentlemen, my name is  
16 Susan Austin. I am a member of the  
17 Environmental Problems course at East Northport  
18 Junior High School and I am here today  
19 representing members of my school, registered  
20 voters in the East Northport area of  
21 Huntington and Huntington Supervisor Jerome  
22 Ambro.

23 I would like to begin by saying that  
24 any effort on the part of our public officials  
25 to move in a direction that would help protect  
and preserve for our future, the natural

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1 environment of which we are an integral part,  
2 is to be commended.

3 By now, you are well aware of the  
4 arguments against the use of non-returnable  
5 containers. The lack of biodegradability in  
6 valuable land space, the expenditure of three  
7 or four times more energy for their use and  
8 handling and probably the main reason for this  
9 bill, the fact that our beaches and landscapes  
10 and highways are slowly but surely becoming  
11 obscured by them. Not to mention the large  
12 sums of money needed in the attempt to clean  
13 up.

14 By now, you are also aware of the  
15 success to the varying degrees of similar  
16 legislation in the States of Oregon, Pennsyl-  
17 vania and Vermont, the recent program in  
18 South Dakota, the successful implementation of  
19 an ordinance in Allentown, Pennsylvania, and  
20 here in New York State, the existing program  
21 in Cayuga County, and the similar ones pending  
22 in both Monroe and Erie Counties.

23 I am also sure you know that a non-  
24 returnable ban has been declared constitutional  
25 in our court system.

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1           The arguments for unemployment have  
2           been proven to be incorrect. The arguments  
3           for inconvenience have been proven to be  
4           incorrect. The arguments for a minimal  
5           reduction in littering due to a program such  
6           as this have also been proven to be incorrect.

7           There is very little sound reasoning  
8           left that we think should prevent Suffolk  
9           County from joining these governments that have  
10          already made a decision to protect our future.

11          I would like for just a moment to  
12          call your attention to certain aspects of the  
13          "Beverage Container Act" that we believe should  
14          be changed in an effort to strengthen it.

15          Under definitions, Beverage, you have  
16          left the possibility that juices, teas, milk  
17          and non-carbonated ades could be sold in  
18          non-returnables. Is this your intention?  
19          Section 6 Paragraph C, states that no person  
20          shall sell or offer for sale at retail ....  
21          what is to prevent somebody from stating that he  
22          is only selling at wholesale, and in the same  
23          paragraph it says, "If the top is detachable  
24          in opening the container without the aid of a  
25          can opener." This, you realize, will allow for

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1 the proliferation of throw-away cans that are  
2 opened with a can opener. I hope this was not  
3 your intention.

4 I would again like to state that we  
5 are pleased that the Suffolk County Legislature  
6 is considering this bill. We, of course, hope  
7 you will pass it.

8 Unfortunately, we recognize the  
9 possibility that non-returnables will be  
10 brought into the County because of their  
11 convenience to some and the irresponsibility of  
12 others, and disposed of here. We, therefore,  
13 respectfully recommend that you consider making  
14 it illegal, not only to buy and sell non-  
15 returnables, but to use them as well. Banning  
16 their use is the only way to accomplish what  
17 I know you want to accomplish.

18 There is something wrong with our  
19 priorities. The entire budget for our local,  
20 state and federal courts is roughly a billion  
21 dollars and the courts are understaffed and  
22 overcrowded. Americans are, therefore, spend-  
23 ing nearly twice as much on throw-away beer and  
24 soft drink containers as we do to dispense  
25 justice. Federal expenditures on cancer

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1 research in 1971 totaled two hundred thirty  
2 million; taxpayers spent more just to dispose  
3 of throw-away beverage containers.

4 Although the non-returnable has been  
5 convenient, it has proven not to be wise. For  
6 convenience sake, we have nickled and dimed our-  
7 selves into wasting billions of dollars and  
8 blighting our countryside. Now, let us be wise.  
9 A return to returnables will develop a  
10 consciousness and an awareness amongst people  
11 about the problems that we are faced with, and  
12 will again emphasize that the only solutions  
13 that will really work are those in which we  
14 all play an active role.

15 Mr. Chairman, I would like to present  
16 to you a petition of one thousand and six  
17 hundred signatures from the East Northport  
18 area in Huntington which was recently presented  
19 to the Huntington Town Board and calls for a ban  
20 on non-returnable containers. We, of course,  
21 all support your bill.

22 I am pleased to add that I have been  
23 authorized by Huntington Supervisor Jerome  
24 Ambro to say that the Town of Huntington also  
25 endorses and calls for the passage of the

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1 Beverage Container Act.

2 MR. O'NEIL: Thank you very much, Susan. You will  
3 leave copies of those signatures?

4 [WHEREUPON COPY OF SIGNATURES REFERRED TO WAS  
5 HANDED TO MR. O'NEIL.]

6 MR. GRANT: Can I ask you how you acquired these  
7 names on the petition?

8 MISS AUSTIN: Yes. We went around door to door,  
9 and we were up at various supermarkets, such  
10 as King Kullen and Bohack, and we told people  
11 our purpose, and they signed it if they wanted  
12 to.

13 MR. GRANT: Was this a school project?

14 MISS AUSTIN: It was a class project, really.

15 MR. O'NEIL: Did you have many people refusing  
16 to sign this petition?

17 MISS AUSTIN: A lot of people were willing to sign  
18 it, but we did have some people who didn't  
19 want to sign. We have been working on it for  
20 about three months now.

21 MR. O'NEIL: Thank you very much for your  
22 recommendations here and for all your work.

23 I would like to recognize Mr. Vincent  
24 Greco, representing the Coca-Cola Bottling  
25 Company.

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1 MR. GRECO:

2 My name is Vincent Greco and I live  
3 in Brentwood, Long Island. I have been in the  
4 beverage business about sixteen years now, and  
5 it is easy for these people to make statements  
6 about the beverage containers, about what they  
7 can do about it to make our job easier. I think  
8 all they are going to do is make our job  
9 rougher.

10 First of all, as we go in the stores,  
11 we have quite a bit of variety of empties on  
12 the shelves. With the empties coming back, we  
13 are not equipped to handle these amounts. It  
14 is just out of hand.

15 If it is not bottles coming out of  
16 the car windows, it is going to be candy  
17 wrappers and cigarette wrappers. If you look  
18 around here, you have people smoking. They are  
19 protesting about that, too.

20 You are talking about adults. If  
21 they are going to throw cans and bottles out  
22 of the window, they are going to litter with  
23 other things. They just don't pick on  
24 beverage containers.

25 There could be a million things to  
better this County, but I think you are going

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1 about it the wrong way. I mean, you are  
2 hurting people. The handling of cases, it is  
3 not an easy job. There is a lot of competition  
4 out there. I mean, I don't think it is fair.

5 When a man goes out there -- now,  
6 double handling cases, that's just what it is.  
7 It is called a one-way bottle to make it  
8 convenient to the people, and it seems like  
9 people just, themselves, don't care about the  
10 County. Just don't say it is the bottle that  
11 is causing all this trouble.

12 I was a Scout Master in Brentwood.  
13 I resigned because I ran into trouble with  
14 the people, not because of anything else. It  
15 was the people, themselves, that caused this  
16 trouble.

17 I think we are getting way off the  
18 subject on this here. I can get you a  
19 thousand names on a piece of paper, too, if  
20 you want, if that would help you out. Give  
21 me a little time. I just don't think it is  
22 fair.

23 I mean, you caught us at the wrong  
24 time. Like I say, we created this monster  
25 with this one-way bottle. A lot of companies

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1 went all out for it. A bottle of sixty-four  
2 ounces of Coke cost the company eighteen cents  
3 to make it. The people take these bottles and  
4 throw it right in the garbage cans.

5 People do have returnable bottles  
6 if the people want to bring it back. It is  
7 just because of laziness. We have no one to  
8 blame, but ourselves.

9 A cigarette, on the side of the  
10 package, it says, "Hazardous to your health".  
11 There is a man right up there now smoking a  
12 cigarette. What can we do about this?

13 It is the truth. Let's face it.  
14 You go to Smithtown Hospital and you go in the  
15 male ward, everybody has an ulcer or a heart  
16 attack, and they brought it upon themselves.

17 I just think that we got a little out  
18 of hand. It was a nice, you know, thing you  
19 did there about all this health. I think you  
20 went all out [APPLAUSE].

21 You know, the Town of Huntington,  
22 it is a nice town. The last time I saw a  
23 guy on the Parkway with a stick with a nail  
24 at the end of it, I hate to tell you when. It  
25 is the area, itself.

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1 If a guy is too lazy to put litter  
2 in the litter basket -- we have guys that say,  
3 "Pitch in". We hire them for time and a half  
4 on Saturdays where people try to come down with  
5 cans, sneaking aluminum cans in with bottles.  
6 You have to see what happens on the weekend  
7 with this recycling. I mean, we run into  
8 costly money. It is costing the company money.  
9 We lose money on this transaction. Just to  
10 keep peace, I mean, we try. How much are you  
11 going to try?

12 I blame the people, themselves. If  
13 it isn't one thing, it is going to be another.

14 Like, the soap powder, I can see it.  
15 You are making the water clean, great; but as  
16 for, maybe, making an adult -- I mean, I don't  
17 know what you are going to try to prove if  
18 you stop using cans or bringing cans back. It  
19 is only going to cause -- you make a store  
20 owner, you have him climbing up a tree. I  
21 mean, going up and down, up and down in and out  
22 of the cellar. How many of you have been in  
23 business? You are welcome to come down there  
24 any time.

25 You are talking about a lot of space

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1 involved now. Like I say, you have some good  
2 thoughts, but until you do the business, it is  
3 then you know what you are talking about.

4 That's all I have to say. [APPLAUSE]

5 MR. O'NEIL: I would like to recognize, now, Mrs.  
6 Marianne Hartman, representing the League of  
7 Women Voters of Suffolk County.

8 MRS. HARTMAN: County Executive and members of the  
9 Legislature, the League of Women Voters of  
10 Suffolk County, in accordance with our  
11 consensus on solid waste management, wishes to  
12 endorse the concept of the proposed Suffolk  
13 County Beverage Container Act.

14 We believe such a law is badly  
15 needed. Our highways and beaches are littered  
16 with bottles, many of them broken and jagged,  
17 with the flip tops of cans and with the cans,  
18 themselves. Clean ups are burdensome, expensive  
19 and sometimes almost impossible.

20 We believe, however, that national or  
21 state legislation would be far more effective  
22 than a county law and we are, therefore,  
23 supporting State Senator Bernard C. Smith's  
24 proposed beverage container legislation S-878.

25 In the event that Senator Smith's

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1 beverage container legislation does not become  
2 law during this present State Legislative  
3 Session, we urge the Suffolk County Legislators  
4 to make the proposed Suffolk County Beverage  
5 Container Act Law.

6 Thank you.

7 MR. O'NEIL: Mr. Charles Harrison, representing  
8 Seven-Up.

9 MR. HARRISON: No comment at this time.

10 MR. O'NEIL: I would like to recognize Mrs.  
11 Lillian Braun. Mrs. Braun?

12 MRS. BRAUN: I do not wish to speak, sir.

13 MR. O'NEIL: Mr. Gene O'Brien? Mr. O'Brien?

14 MR. O'BRIEN: No comment.

15 MR. O'NEIL: Mr. Leonard Toll.

16 MR. TOLL: No comment.

17 MR. O'NEIL: Mr. Monteleone?

18 MR. MONTELEONE: Mr. Grant, members of the Legislature,  
19 I really didn't come here prepared to speak  
20 today.

21 I am a married man, I am from  
22 Brentwood and I have three teen-agers. I see  
23 most of these people are from industry and  
24 stores. I am just a private citizen. I work  
25 for Grumman Aircraft, so I have no tie-ins with

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1 any stores, bottles or anything; but as a  
2 citizen, I would like to say this law -- I  
3 realize we have a problem with cans and  
4 everything, but if this is going to decrease  
5 my luxuries, I am dead set against it.

6 I think Mr. Flynn said the citizens  
7 would go along with this. Well, I won't. I  
8 have very few luxuries as there is now. I like  
9 a beer when I am watching a game or working in  
10 the yard. My kids drink soda and if this is  
11 going to cost me more money, I am against it.

12 Mr. Cohalan said in the paper Sunday  
13 that we have a bunch of slobs in the Town of  
14 Islip, which is true. We do have a bunch of  
15 slobs.

16 I live not far from the dump, and  
17 there is not just cans that are thrown outside  
18 the fence, it is garbage; and these people  
19 will continue to throw it outside of the fence.

20 I know it is a problem, but it is not  
21 my problem. I voted for you, Mr. Grant, and  
22 other members here to cure our problems, but  
23 not by making me pay for it. Don't take it out  
24 on the private citizen any more. We are paying  
25 enough as it is. If it is going to cost me a

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1 penny, I don't want it. I think I can speak  
2 for most of my friends, too, on this matter.

3 As far as restricting it, I think  
4 you will have a problem. I, as well as  
5 thousands of others, work in Nassau County and  
6 I, for one, if I am going to have to pay more  
7 for my beverages or if I am restricted in my  
8 choice of beverages, I am going to bring it in  
9 from Nassau County, bring my beverages in from  
10 Nassau County, and I don't care what anybody  
11 says. [APPLAUSE AND VOCALIZING FROM AUDIENCE.]

12 MR. O'NEIL:

Mr. Charles Hedberg.

13 MR. KLEIN:

14 Mr. Chairman, while Mr. Hedberg is  
15 coming up, may I ask of either the Committee  
16 or -- I don't know what list you have there.  
17 This gentleman spoke to, I think, one of the  
18 issues we are confronted with, and I wonder  
19 if anyone in the industry in that stack of  
20 cards that is before you is prepared to  
21 document some of the economic considerations?  
22 I can't believe that the beverage container  
23 industry or those who are in the retail  
24 business have come to these Hearings unprepared  
25 to develop some of the economics involved.

It seems to me, what we have got to

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1 to do is recognize, number one, that this is  
2 not a container ban. It is a device which  
3 places a premium, in terms of a deposit, on  
4 certain containers and while the generalities  
5 which have been expressed here in opposition  
6 are very interesting, they are not very  
7 informative, it would seem to me, to either  
8 the Committee or to me, as County Executive,  
9 in dealing with legislation should it pass.  
10 I wonder if somewhere along the line someone  
11 is going to give us some hard facts?

12 MR. O'NEIL:

Mr. Klein, I have every reason to  
13 believe that there are representatives of the  
14 industry here. Mr. Grant and I had a meeting  
15 several days ago with several of them, and I  
16 think they will be prepared to give us the  
17 economics of the situation.

18 MR. KLEIN:

I was just a little unnerved by all  
19 the "no comment".

20 MR. HEDBERG:

Charles Hedberg. I represent the  
21 Hampton Chapter of Zero Population Growth and,  
22 also, am employed with Grumman. You can see  
23 Grumman is a very diversified corporation.

24 The Hampton Chapter of Zero Population  
25 Growth endorses the proposed County of Suffolk

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1 law to regulate the sale of beverage  
2 containers.

3 Since industry switched to the greater  
4 profit margin of throw-away "convenience"  
5 packaging of beverage containers in the early  
6 1950's, a vast family of problems have developed  
7 in the form of increased loading of solid waste  
8 disposal facilities and an ever increasing  
9 broadcast of litter on our streets, parks and  
10 open space.

11 Prior to introduction of "convenience"  
12 packaging, the two-cent bottle, if not returned  
13 by the consumer, was a source of income for the  
14 average youth. Very seldom did a beverage  
15 bottle become litter or trash for the dump  
16 until it was unusable due to normal wear-out.  
17 I think industry figures have shown that  
18 normal wear is approximately three years or,  
19 you might find, even more.

20 Industry spokesmen will decry the  
21 proposed legislation in the context that  
22 overhead costs will rise, logistical problems  
23 will be created, et cetera. But at the present  
24 moment, beer and name-brand soda may be  
25 purchased in returnable bottles at retail

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1 distributors, such as Circle Beverage in  
2 Riverhead, at an appreciably reduced price  
3 per ounce of product as compared to the price  
4 for the same product packaged in disposable  
5 containers. Schaefer Beer goes for three  
6 dollars eighty-nine cents a case of twenty-four  
7 returnable bottles versus five dollars a  
8 case in throw-away packages. This kind of  
9 negates the concept it is going to cost more  
10 for a returnable package.

11 Economic upsets on a minor scale  
12 may be experienced as the labor force required  
13 in package manufacturing is possibly lessened.  
14 However, these will be balanced by increased  
15 labor required to accept returned bottles. This  
16 will be on a local level with local people  
17 working on local jobs in a major corporate  
18 effort.

19 A side benefit that affects all will  
20 be the meaningfully reduced total energy  
21 expended during the reuse process of bottles  
22 as compared to that expended in the manufacture  
23 and disposal of one-use packages.

24 On the way down, we were reading from  
25 a news clipping on the Oregon Law. About

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1 eighty per cent of the aluminum -- more  
2 generally, sixty per cent of the aluminum used  
3 gets to the packaging industry -- excuse me --  
4 is imported, the ore. Maybe, if the packaging  
5 industry goes to the bottle instead of  
6 aluminum cans, it will help the national scene.

7 A paragraph that will be much  
8 appreciated by fishermen and also by any bather  
9 who has experienced a cut foot from these  
10 "inventions of the devil" is Paragraph 6 (C)  
11 which prohibits the flip-top can, with its  
12 throw-away razor-sharp opening tab. (When this  
13 legislation goes into effect, the numbers of  
14 cut feet from broken glass should diminish  
15 drastically, also.)

16 Zero Population Growth is an  
17 organization not solely concerned with population  
18 growth statistics, but a dynamic group that  
19 is working towards the goal of a balanced  
20 total system which includes numbers of people,  
21 social, economic and physical environments.  
22 Growth for the sake of growth or for the  
23 economic betterment of a chosen few is growth  
24 that the total community cannot afford. Forward  
25 thinking legislation, such as the Suffolk

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1 County Beverage Container Act, although not the  
2 first law of this type enacted by a state or  
3 county, is still far removed above the norm of  
4 contemporary thinking, and displays a legisla-  
5 tive awareness that growth in the size of  
6 disposable areas or litter collection crews  
7 is not an area of growth that will better the  
8 community.

9 MR. CAPUTO: The comparison that you made, three  
10 dollars seventy-nine cents versus five dollars  
11 a case, were the containers in both cases the  
12 same size as to the amount of soda or beer in  
13 it?

14 MR. HEDBERG: Yes, twelve ounce bottles in it.

15 MR. CAPUTO: And both cases had the same number  
16 of bottles?

17 MR. HEDBERG: Yes, and it was three dollars  
18 eighty-nine cents a case.

19 MR. O'NEIL: Mr. William Bengen?

20 MR. BENGEN: Thank you, Mr. O'Neil and members of  
21 the Committee, Mr. County Executive and  
22 other listeners. Let me just introduce  
23 myself, first.

24 My name is Bill Bengen. I work for  
25 the Seven-Up Brooklyn Bottling Company as the

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1 Director of Environmental Programs. Now, we  
2 are a relatively small local firm. We have  
3 three plants that manufacture Seven-Up and  
4 other soft drinks in this area, and one of  
5 them is located in the County of Suffolk. Now,  
6 we have been in business in this area, I guess,  
7 in one form or another for about ninety years  
8 and, of course, I haven't been with the company  
9 that long, but I have been with it long  
10 enough to know that if this sort of legislation  
11 is passed, it is going to create tremendous  
12 problems economically for us -- and I am going  
13 to direct my remarks to Mr. Klein's request  
14 for particulars -- not only economically  
15 for us, but I think for the County in general  
16 in terms of the food distribution system.

17 Let me say, I think among many citizens  
18 there is a suspicion when a person like myself  
19 comes up and speaks for a company. They  
20 think we have some sort of a concealed self-  
21 interest. I am not concealing anything.

22 Speaking for my company, there are  
23 problems that we feel -- you take ourselves  
24 as an industry -- that has been under fire for  
25 many things. Let me give you a list of what

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1 we have been facing in the last several years.  
2 For one, the Federal Trade Commission has been  
3 challenging our franchise system. The  
4 National Product Safety Commission is taking a  
5 hard look at our glass containers, the safety  
6 aspect. Now, the nutritional content of soft  
7 drinks has been maligned, sugar has been  
8 attacked as a cause of tooth decay, cyclamates  
9 were banned for diet drinks, saccharin's fate  
10 is still unsure, and the current inflation has  
11 hit us particularly hard.

12 Now, if we have, on top of this, any  
13 Oregon type of legislation, it would be a  
14 terminal disaster for us, in addition to this  
15 County, itself. I think this is a very  
16 important point.

17 The Department of Environmental  
18 Control is doing an excellent job in Suffolk  
19 County in trying to restrict the throwing of  
20 harmful effluents into our ground water. Now,  
21 anyone that is acquainted with our returnable  
22 bottles and the cost, in talking about this,  
23 we have been told that we cannot ostensibly  
24 produce returnables in this County without  
25 going through a very expensive system for

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1 recycling our water. In our Nassau County  
2 plant we have a different system. This ninety  
3 days, if the legislation is passed, is really  
4 an incredible thing. I think ninety years,  
5 perhaps, if you look at the extent of the  
6 problem. I just don't think we will be able to  
7 make the conversion and satisfy the requirements  
8 of the Suffolk County Department of Environmental  
9 Control.

10 I think, literally, we would have to  
11 close down our Suffolk County plant. That is  
12 like cutting off our right arm because that is  
13 our most modern plant.

14 Let us take a look at this legisla-  
15 tion. When you attempt to make any sort of a  
16 change in a system like a food distribution  
17 system, and I emphasize the word "system" here  
18 because it is composed of many complex  
19 interlocking parts. It is not, as some people  
20 imagine, just a simple matter of ordering in  
21 the returnable bottles, filling them with soda  
22 and pushing them out the door. They fail to  
23 realize that there is a complex chain of  
24 interworking parts stretching from the  
25 manufacturer's door through his route trucks,

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1 to the retailer and to the consumer and back  
2 again.

3 As a gentleman alluded to earlier,  
4 they have to be stored, counted, they have to be  
5 brought back cleaned and handled in this  
6 respect. Now, just looking at it from a  
7 business point of view, if we were legislated  
8 into returnables, let's say, tomorrow, we would  
9 have to look at buying or renting additional  
10 warehouse space because returnables consume  
11 from two to three times as much as one-ways.  
12 You would have to buy additional production  
13 equipment and convert present equipment. You  
14 would have to buy or rent additional vehicles,  
15 as space must now be left on trucks for empty  
16 as well as full goods.

17 You would have to hire additional  
18 labor to drive the trucks and man the new  
19 equipment. You would have to buy large  
20 quantities of new packaging material,  
21 particularly returnable bottles and the cases  
22 with containers; and furthermore, we would  
23 have to convert hundreds of vending machines  
24 in the field to accommodate returnable bottles.

25 Now, Doctor Fischer said earlier that

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1 much of this, and I admit it is, is sort of a  
2 capital investment which is, perhaps, reducible  
3 under a tax consideration, but the magnitude  
4 of this expense is so great that regardless of  
5 any tax consideration that we have -- I am  
6 speaking here not of tens of thousands of  
7 dollars or hundreds of thousands of dollars,  
8 but literally millions of dollars for our  
9 company in terms of returnables. We have  
10 no way of getting this money. No one is  
11 going to give us five million dollars. There  
12 isn't any one bank that would consider our  
13 position in terms of this amount of money if  
14 this legislation were passed. We just simply  
15 would have to shut down completely unless you  
16 happen to know banks that might be favorable  
17 in this regard.

18 There is one other issue I would  
19 like to speak to, and that's the energy angle  
20 with regard to Suffolk County. As a closing  
21 topic, that's a pretty hairy topic and I don't  
22 even like to get into it.

23 Doctor Fischer mentioned, the most  
24 important part of the energy picture with  
25 regards to beverage containers is the actual

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1 manufacture of the beverage container. If we  
2 were to reduce the energy of that, we can  
3 reduce the energy used in our process.

4 In Suffolk County there are no  
5 beverage container manufacturing plants. In  
6 fact, there are very few in New York State.  
7 Most of them are in New Jersey or the midwest.  
8 If you put us into returnables, you are not  
9 going to save any energy in Suffolk County and,  
10 in my statement which I will hand into you,  
11 I will give you a pretty detailed analysis that  
12 our energy will go up from fifty to one hundred  
13 per cent in Suffolk County. Our energy  
14 requirements would double simply because of the  
15 washing machine that is required to handle  
16 returnable bottles has the large motors on it  
17 and we will be running that if we ever get  
18 into a water recycling system to handle  
19 that.

20 Furthermore, all of the trucks that  
21 are distributed that our independent businessmen  
22 have, they will have to increase their fleet  
23 by fifty per cent and if we are going to need  
24 additional warehouse space, there is no  
25 question but that will have to be lit, that

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1 will have to be heated. All this will increase,  
2 conservatively, our energy requirement.

3 I think Suffolk County has to do  
4 some serious thinking before they go into this  
5 type of legislation.

6 I think I have completed my time.  
7 Thank you for this opportunity. If you have  
8 any questions, I would be glad to answer them.

9 MR. HOWARD:

10 As you spoke, I reflected on my  
11 high school days where I worked for a deli and  
12 I think the bone of contention was the Fridays  
13 and Saturdays when the boss told me that on the  
14 following Monday the bottle container guy would  
15 be coming, and I guess it was those big green  
16 quart bottles. We had to figure out how high  
17 I could stack the cases without having them  
18 fall and kill me. We had a very small area  
19 and, yet, this was a problem, a space problem,  
20 and I am reflecting back a good many years. I  
21 wonder now, in terms of all the supermarkets  
22 and so forth, what kind of space allocation  
23 are we talking about in a commercial enterprise  
24 to take back bottles? Let's just say a  
25 supermarket?

Do you visualize this as being an

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1 overwhelming problem?

2 MR. BENGEN:

Well, I am sure the people who are  
3 following me, the retailers, themselves, who  
4 are here today, will probably give you a  
5 detailed analysis of this.

6 I was out in Oregon myself last  
7 year, and I talked to a lot of people in the  
8 back of the stores, not only the managers, and  
9 if you go there on a Monday morning to the  
10 supermarket, it is just incredible, the  
11 amount of empties stacked up there. They are  
12 bulging out of the storerooms, and this is an  
13 area in the country where returnables have  
14 been in effect for a long time.

15 I don't know how many supermarkets  
16 have been built on Long Island for the past  
17 seven years when non-returnables have been  
18 here, but they have not been designed to  
19 accommodate large amounts of returnables in  
20 the back rooms. I don't think they can handle  
21 it, and I think these people will tell you  
22 that, too. I think, surely, that's a very  
23 important consideration.

24 MR. HOWARD:

Thank you.

25 MR. KLEIN:

There is one question at the risk

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1 of sounding picayune.

2 I am trying very hard to get  
3 somebody to document the economics rather  
4 than to state the conclusions; but one  
5 of the things that struck me is the statement  
6 made by a prior speaker about the difference  
7 in cost, and I don't know whether you are  
8 prepared to answer this.

9 Let's take the average case of  
10 Budweiser Beer. Do you know whether,  
11 across the board, there is the price  
12 differential between non-returnables and  
13 returnables that has been reflected here  
14 today between three dollars eighty-nine  
15 cents and five dollars?

16 MR. BENGEN: Yes, there is a price differential.

17 MR. KLEIN: Do those figures sound all right to  
18 you?

19 MR. BENGEN: Yes.

20 MR. KLEIN: Now, if I am the consumer -- let's  
21 take those figures -- if I am the consumer,  
22 mechanically, I walk into a store and I buy a  
23 case of whatever it is that I get for three  
24 dollars eighty-nine cents and then I pay a  
25 deposit on the container, am I correct? Whereas

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1 if I buy the same commodity in a non-returnable  
2 container, I pay five dollars even or whatever  
3 it was. That's roughly a dollar ten cents or a  
4 dollar eleven. Am I not correct, if I return  
5 all those containers from the returnables,  
6 that's costing me three dollars eighty-nine  
7 cents in the returnables and five dollars in  
8 the non-returnables?

9 MR. BENGEN: It would seem that way now, but if  
10 we were to convert to returnables, the cost we  
11 would incur to convert, it would force us to  
12 raise the price. I think the price of the  
13 returnables in the future, if we were forced  
14 into it, would be at least as much as five  
15 dollars, I would say.

16 MR. KLEIN: Are you saying to me, as well as to  
17 this Committee, that the differential in cost  
18 of one dollar a case would be automatically  
19 incurred in the event this legislation would be  
20 adopted?

21 MR. BENGEN: You are saying?

22 MR. KLEIN: I am saying, if the consumer  
23 returned each of the containers, he is now  
24 paying one dollar eleven cents or, roughly,  
25 thirty per cent less for the same commodity

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1 than if he used a non-returnable container.  
2 Are you telling this Committee now that  
3 automatically if this legislation is adopted,  
4 that savings will be eliminated?

5 MR. BENGEN: I think so based on conversion costs  
6 of about five million dollars. On our present  
7 case rate, that would be over a dollar a case.

8 MR. FELDMAN: What does it cost to manufacture one  
9 bottle?

10 MR. BENGEN: To manufacture one bottle -- perhaps,  
11 somebody from the glass container industry can  
12 give you a more accurate figure on that.

13 MR. KLEIN: Do you know whether -- or can you  
14 make an educated guess as to the relationship  
15 or ratios between those beverages which are  
16 sold in non-returnable containers and those  
17 which are sold in returnable containers in  
18 this County? Has anybody done an analysis?

19 Apparently, somebody has and in  
20 which case, I will back off until that person  
21 is ready to speak.

22 MR. BENGEN: I can give you our own figures. We  
23 are about ninety-five per cent non-returnable  
24 and about five per cent returnable, and that  
25 five per cent is dwindling rapidly.

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1                   Excuse me, Mr. Feldman's question,  
2                   perhaps I can give him information --

3   MR. FELDMAN:                   [INTERPOSING] What I was leading to,  
4                   that it costs your company approximately -- I  
5                   am taking a guess now -- about four cents a  
6                   throw-away bottle and that money is constantly  
7                   being expended. Now, with that money being  
8                   expended for the throw-away bottle, you would  
9                   be purchasing a bottle on a returnable basis  
10                  and, therefore, that leveling off would come  
11                  where that bottle would be economical to the  
12                  company. You are making that investment now  
13                  every single day when you are purchasing  
14                  bottles, isn't that correct?

15   MR. BENGEN:                   We have, also, a large can volume,  
16                   which is about forty to fifty per cent of our  
17                   business, and the cost of a can in relation to  
18                   a returnable bottle -- it is much less than a  
19                   bottle. I don't know what it is. The fact  
20                   is that the cost, the net cost of a returnable  
21                   bottle, no matter how many times it is  
22                   recycled back, I don't see anybody giving us  
23                   any guarantees that we are going to get two  
24                   trippages.

25   MR. FELDMAN:                   Before the returnable bottles were:

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1 made, they were supposed to get an average of  
2 eight trips per bottle.

3 MR. BENGEN: I think that's probably reasonable,  
4 right.

5 MR. FELDMAN: Don't you think it would be economi-  
6 cally feasible to the company, that you would  
7 save money in the long run?

8 MR. BENGEN: If we did get eight trips per bottle.

9 MR. FELDMAN: At a price of four cents, you are  
10 saving thirty-two cents on the cost of one  
11 bottle, plus the initial investment of buying  
12 those bottles.

13 MR. BENGEN: This is a hypothetical discussion  
14 because no one is guaranteeing that we are  
15 going to get eight trips, and I am very leary  
16 about getting locked into this type of thing.  
17 Suppose we get three trips per bottle and then  
18 it will be disaster.

19 MR. FELDMAN: What kind of trips is Oregon getting  
20 on their bottles?

21 MR. BENGEN: In Oregon, you have two million  
22 people spread over a tremendous space and  
23 they are getting thirteen or fourteen trips.  
24 Here you have one million in a very small area.  
25 I go to recycling centers myself and I have

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1                   been to a lot of big ones. There is one in  
2                   Hauppauge which does a fantastic job, but  
3                   even they get about ten or fifteen per cent  
4                   cooperation from the people in the area. If we  
5                   get that kind of cooperation, that's not going  
6                   to be to the level we need. People can bring  
7                   everything to these recycling centers, and now  
8                   they are going to make a special trip to return  
9                   a bottle. I just don't see that we will get  
10                  that kind of cooperation.

11   MR. FELDMAN:                   The basic thing is that people have  
12                   to cooperate with the functioning of the law.

13   MR. BENGEN:                   No doubt about that.

14   MR. CAPUTO:                   On previous information provided by  
15                   the industry, I believe the number of trips  
16                   necessary was six in order for the bottle that  
17                   would be returnables to be less costly than a  
18                   non-returnable bottle. That was previously  
19                   provided to the Committee on different  
20                   occasions.

21   MR. GRANT:                   Mr. Bengen, you mentioned before about  
22                   the washing solution that is used in return-  
23                   able bottles. Do you have any washing in  
24                   your process now in your plant in Suffolk  
25                   County with the non-returnable bottles?

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1 MR. BENGEN: No, they are just using a pure water  
2 rinse straight forward, so there is no cost of  
3 any sort right now for non-returnables.

4 MR. GRANT: One other question in regard to  
5 vending machines. I assume that the majority  
6 of vending machines now handle cans, is that  
7 right?

8 MR. BENGEN: Yes, I would say the majority do.  
9 Although, we do have some returnable bottles.

10 MR. GRANT: There are machines now that use  
11 bottles in the County?

12 MR. BENGEN: Yes, I have seen them; right.

13 MR. GRANT: Do you have any idea of how many  
14 machines we have in our County?

15 MR. BENGEN: It runs into the thousands and  
16 thousands. I couldn't give you a figure.  
17 We probably have several hundred ourselves in  
18 Suffolk County, and we, by far, are not the  
19 largest bottling plant in the area.

20 MR. GRANT: The greater portion of them are  
21 cans now?

22 MR. BENGEN: I would think so.

23 MR. O'NEIL: Thank you, Mr. Bengen.

24 DOCTOR FISCHER: I just have one question, if you  
25 would.

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1 MR. BENGEN: Sure.

2 DOCTOR FISCHER: A lot of the uncertainty revolves  
3 around the question of the conversion, and you  
4 talked about what would happen to you if you  
5 were forced to convert. Now, do you consider  
6 that the possible requirement or the possible  
7 ban forces you to make an immediate conversion,  
8 or do you think your company will be able to  
9 convert over a long period of time depending  
10 upon whatever the market seems to indicate, based  
11 on the deposit structure?

12 MR. BENGEN: This whole conversion issue is a very  
13 complex thing because, once again, we are  
14 dealing with a system. It is not only us that  
15 would have to convert. It is the retailers  
16 and the distributors that would have to convert.

17 DOCTOR FISCHER: What I am asking you, that the  
18 law, as it is written, which doesn't ban the  
19 use of throw-aways, but simply requires you to  
20 go through the department's process, would put  
21 your company in a position where you felt you  
22 were obligated to convert immediately and,  
23 therefore, make a five million dollar capital  
24 investment, or whether you would be able to  
25 convert over a period of time?

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1 MR. BENGEN: You mean over a period of time,  
2 gradually increase our returnable percentage?

3 DOCTOR FISCHER: Yes, or install bottling lines to  
4 replace the cans.

5 MR. BENGEN: I don't see how that would work. I  
6 tried to think of a system. How would you  
7 handle that? I don't see how this could be  
8 accomplished because our outfit handles,  
9 essentially, soft drinks. A large part of it  
10 is supermarkets and, then, you have  
11 distributors and then you have vending machines  
12 and smaller stores, so-called mom and pop's.  
13 Where do you start, in the supermarket? And  
14 then say mom and pop can handle returnables?  
15 Where do you start?

16 DOCTOR FISCHER: That would be your decision. Since  
17 the law, if it were enacted, would require the  
18 return system to be gone through for any type  
19 of beverage container, it would be a matter  
20 of substituting a returnable for a non-  
21 returnable beverage container if you had it  
22 available. In other words, if you were  
23 bottling -- if you switched your bottling from  
24 non-returnables to returnables, that would be  
25 approximately the only change besides the

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1 weight change and volume change in this cycle  
2 of distributors going out with the containers  
3 and picking them up and bringing them back.

4 MR. BENGEN: But, presumably, all containers  
5 would have a deposit on them. We would have to  
6 handle that, also.

7 DOCTOR FISCHER: As far as your company is concerned,  
8 if you were going through that cycle with  
9 both returnables and non-returnables, would  
10 you feel compelled to convert immediately, or  
11 would you be able to do this on a gradual  
12 basis?

13 MR. BENGEN: I think we would have to convert  
14 immediately. I don't think our customers would  
15 want to be bothered with the handling of cans  
16 and returnable bottles and non-returnables. I  
17 think they would demand consistency.

18 DOCTOR FISCHER: They would still be in a position  
19 where they would have to return whatever they  
20 have if they want to get their deposit back.

21 MR. BENGEN: And of course, we wouldn't have the  
22 convenience of the packaging in which they  
23 return it. You would have shopping bags and  
24 whatever, not necessarily the cartons. I  
25 think it would be hard on a piecemeal basis.

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1 MR. BASSANO: May I ask you a question, please?

2 When you were in Oregon, how many mom and pop  
3 stores did you see? I only found one. How  
4 many did you find?

5 MR. BENGEN: I found about a half a dozen.

6 MR. BASSANO: So, there was one fellow who opened  
7 up 7-11 kind of stores where he has these  
8 stores around. I only found one.

9 I was just interested to find out  
10 how many you found because that's an important  
11 difference between the west coast and this  
12 Long Island area as far as I am concerned. You  
13 didn't find too many local grocery stores, like  
14 the mom and pop delis that we have here.

15 MR. BENGEN: No; not, at least, in Portland. There  
16 were several chain stores.

17 MR. BASSANO: Yes, chain stores, but I found one  
18 mom and pop downtown. I couldn't find any  
19 local type grocery stores as we find here. You  
20 didn't find too many, did you?

21 MR. BENGEN: I was mostly in the Portland area  
22 and I didn't see too many.

23 MR. BASSANO: If you noticed the countryside  
24 there, we commented you couldn't throw too  
25 many bottles out of the car windows because

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1 of the turns in the road.

2 MR. BENGEN: That's true.

3 MR. O'NEIL: Thank you, Mr. Bengen. Mrs. Flatau?

4 MRS. FLATAU: Mr. Chairman, members of the  
5 Legislature, I am Adelaide Flatau, and I am  
6 speaking on behalf of the League of Women  
7 Voters of North Brookhaven and the League of  
8 Women Voters of Suffolk County.

9 For several years, our league has been  
10 concerned with cleaning up our environment,  
11 encouraging recycling and fighting pollution.  
12 Our position is that we support measures  
13 facilitating solid waste disposal without  
14 damaging the environment and providing for  
15 more extensive reuse of our resources. We  
16 urge the local government to enact legislation  
17 calling for such steps. We would welcome this  
18 legislation as progress toward better life for  
19 all of us and as a positive government action  
20 to decrease the volume of solid waste.

21 In Suffolk County, the annual  
22 consumption of beverage containers has been  
23 estimated at two hundred fifty million, and  
24 as the population continues to grow, the  
25 volume has to go up. We are running out of

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1 landfill sites, especially in the western towns,  
2 and the cost of disposal of solid waste is  
3 high and increasing. Currently, it ranges  
4 from a low of about three dollars a ton in  
5 Brookhaven to over ten dollars in the western  
6 towns. The beverage containers constitute a  
7 serious litter problem, also. About sixty per  
8 cent of the visual litter is related to beverage  
9 containers, and it is getting more and more  
10 expensive to pick up the litter. A container  
11 costs less than five cents to manufacture,  
12 but thirty cents or more to pick up. A deposit  
13 on all containers should greatly contribute to  
14 diminishing this eyesore.

15 The proposed Beverage Container Act  
16 is modeled after the Oregon legislation, where  
17 it seems to be working well and, therefore, there  
18 is every reason to expect that it will work  
19 here. The act will, first of all, ban the use  
20 of flip-top cans, an elimination of a hazardous  
21 product, as we know only too well.

22 Currently, the act would help to  
23 eliminate the plastic can holders, which not  
24 only litter our highways, but also endanger  
25 our wildlife whose necks get caught in them.

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1                    Secondly, the act would lead to  
2                    greater use of reusable containers, and the  
3                    reuse would be further encouraged by the  
4                    provision of certification of containers, which  
5                    facilitates return and reuse; consequently,  
6                    should lead to a better use of our resources.  
7                    At the same time, it will help to conserve  
8                    energy on an overall level.

9                    Last, but not least, beverages sold  
10                    in returnable containers are cheaper than  
11                    those in throw-aways and, thus, should  
12                    constitute considerable savings to the  
13                    consumer-taxpayer, about four or five cents  
14                    for a container.

15                    It has often been alleged that the  
16                    return of the reusable bottles would lead to  
17                    a decrease in employment. It is likely that  
18                    the contrary will be true locally, requiring  
19                    additional personnel for the handling of  
20                    returned bottles which, again, should be in  
21                    the interest of Suffolk County.

22                    We, also, strongly urge the  
23                    Legislature to insure that the returned  
24                    containers will actually be reused so they will  
25                    not be just dumped on our landfills or used as

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1 cullet. Therewith, we should create  
2 additional employment and increase the  
3 effectiveness of our law.

4 We strongly urge the passage of this  
5 act, for we hope that it will serve as an  
6 example to other counties and eventually lead  
7 to similar action on a state level, and help  
8 us change our wasteful ways.

9 Thank you.

10 MR. O'NEIL:

Thank you, Mrs. Flatau.

11 [THERE WERE THEN SEVERAL NAMES READ OFF BY  
12 LEGISLATOR O'NEIL TO WHICH THERE WAS NO  
13 RESPONSE.]

14 MR. O'NEIL:

Mr. John Dougherty?

15 MR. DOUGHERTY:

16 I don't think I put my name down  
17 there to speak, but since I have been called,  
18 and I have heard my type of industry being  
19 mentioned, I thought maybe I should come up  
20 here and say a few words.

21 I am the President of the Long  
22 Island Beer Distributors Association, which  
23 is the discount centers that you see around,  
24 and I think we represent the majority of  
25 containers that are sold in Suffolk County.

I wish I had been closer to this problem than

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1 I have been. It was kind of a surprise to me  
2 when they called me up to come down.

3 It amazes me that this kind of an  
4 argument would go on in Suffolk County. This  
5 problem isn't a County problem, I feel. It is  
6 a State problem. What you would do to the  
7 industry in Suffolk County and the businessmen  
8 in Suffolk County would be disaster. I know  
9 all the beer distributors -- excuse me, I am  
10 kind of nervous -- I am not used to speaking  
11 in public.

12 All the beer distributors in the  
13 western end of Suffolk County, I believe,  
14 would be destroyed. Even with the deposit  
15 packages, people will not buy deposit packages  
16 even if you have them in the store and they are  
17 a dollar cheaper. The people do not buy them.  
18 Why does the League of Women Voters come over  
19 here and speak about cleaning up the ecology?  
20 The women don't buy them and the men don't buy  
21 them. We have them cheaper and, by the way,  
22 the costs would also go up.

23 The only reason beer deposits are  
24 cheaper right now is because I sit down with  
25 so many suppliers and I twist their arm and I

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1 say, "If you raise the price of that beer in a  
2 deposit package, that's my package, I will  
3 break you on the cans and on the returnables.  
4 Keep that price down because that's my package,"  
5 but that package is going down the drain.

6 To give you one more example. Sodas,  
7 take Hammer Beverages. I don't know whether  
8 you heard of them or not, but they supply all  
9 beer distributors with Hammer packages. We  
10 sell that for two dollars fifty-nine cents a  
11 case now. My throw-away returnables is two  
12 dollars fifty cents. This is a realistic  
13 price. I feel if you enact this legislation  
14 here in Suffolk County, you will destroy the  
15 beer distributors.

16 I am not familiar with the workings  
17 of the deli or the chain stores, but I know  
18 you will destroy quite a few beer distributors  
19 on the western end of Suffolk County, and I do  
20 feel it is a State problem and not a County  
21 problem.

22 Thank you. [APPLAUSE]

23 MR. O'NEIL:

Mr. William Butler?

24 MR. BUTLER:

Gentlemen, my name is Bill Butler.

25 I am a resident of Suffolk County, East

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1 Northport, and I am a New York sales manager  
2 for Shasta Beverage Company.

3 I would like to speak in the capacity  
4 as a resident of this County and, also, as an  
5 employee of the beverage industry in New  
6 York State and, also, the County.

7 Now, as a resident, I would like to  
8 put things in their proper prospective. We  
9 are all aware that we have a problem on solid  
10 waste disposal which industry, government and  
11 residents, have been ignoring for years until  
12 it has, in some cases, become a critical  
13 problem. Now, another problem which is part  
14 of the first is litter. With regard to our  
15 solid waste problem, roughly four per cent  
16 has been determined to be beverage containers,  
17 cans and bottles. This still leaves ninety-six  
18 per cent of our solid waste still a problem.

19 Now, if we passed a law banning the  
20 non-returnable, it would not solve the  
21 problems at hand. We still would have ninety-  
22 six per cent of our solid waste to dispose of.  
23 We are not eliminating litter on our highways,  
24 parks and other areas. There still would be  
25 paper cups, candy wrappers, cookie boxes,

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1 pretzel and potato chip bags, returnable  
2 bottles, et cetera, that selfish,  
3 inconsiderate individuals throw away.

4 The problem is not the container,  
5 gentlemen, but the individual using it.

6 Now, an example of this is matches,  
7 which cause fire and destroys our natural  
8 environment, causes death to birds, animals  
9 and even people. Yet, we don't pass a law  
10 banning matches, forcing everybody to use  
11 lighters. We are taking a sensible approach  
12 in trying to educate the people to the  
13 hazards of a fire and the proper handling of  
14 it. Yet, fire does more damage to our  
15 environment than a bottle or can will ever do.  
16 Ninety thousand dollars worth of the fires  
17 were started by people in the United States  
18 last year.

19 Now, it is the same here. Banning  
20 cans and unreturnables will not solve the  
21 problem of solid waste, nor will it affect  
22 the inconsiderate litterbug. Our current  
23 anti-litter laws have done little to deter  
24 them up until now. Why will a five cent or  
25 ten cent deposit do it when the chance of a

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1 twenty-five dollar to one hundred dollar fine  
2 did not affect them? Let's get to the crux of  
3 our problem by getting started in the use of  
4 resource recovery plants for our door to door  
5 rubbish pick up in towns and counties. This  
6 will cut down on our use of natural resources  
7 with the reuse of metals, glass and other  
8 reusable materials, and use the remainder of  
9 our rubbish to generate electricity. This  
10 information for solving this problem is  
11 readily available to the elected officials of  
12 our state through the efforts of the beverage  
13 industry. It is there for the asking. Also,  
14 we should start a program to change the habits  
15 of our inconsiderate litterbug, which the  
16 beverage industry is currently working on with  
17 psychiatrists to better understand the people  
18 who are throwing litter.

19 Now, speaking as an employee of the  
20 beverage industry, if a law banning cans and  
21 non-returnables was passed, I think we all will  
22 agree it will not eliminate our problem of solid  
23 waste, nor cure the litterbug; but it sure  
24 will have an effect on the lives of residents  
25 of our state. It will cost the consumers more

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1 to purchase their favorite beverage. Now, in  
2 all due respect to the people of Oregon and  
3 their representatives who spoke in New York  
4 City, the consumer there is either paying the  
5 same for less product or paying more for the  
6 same ounces.

7 Now, a quote from Budweiser at the  
8 New York City Hearing stated that in Oregon,  
9 their product was seventeen cents a six-pack  
10 higher in the Oregon area than in any other  
11 area in the country due to the returnable  
12 bottle, and that in their case, they were only  
13 getting forty per cent of their returnables  
14 back and he, also, stated the consumer is  
15 getting less because it is an eleven ounce  
16 bottle, where it was twelve ounces before.

17 There are can manufacturing plants  
18 in New York State, where Oregon does not have  
19 any. Cans are non-returnable; thus, this  
20 industry would be eliminated and have an effect  
21 on our current heavy unemployed situation in  
22 the state. It would also affect bottling  
23 plants with the same effect and, in some cases,  
24 eliminate companies, as stated by Mr. Sid  
25 Mudd of the New York Seven-Up Bottling Company

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1 and disrupt five hundred families. Also, out  
2 here today, Seven-Up said they would run into  
3 the same problem.

4 It will bring about a hectic  
5 situation in the retail stores with returnable  
6 bottles, as shown in the film presentation of  
7 Oregon by the United States Brewers Association.  
8 The film is readily available; plus, it will  
9 create a sanitary condition in the largest  
10 populated area in the United States, New York.

11 It was just five to ten years ago  
12 that the legislatures in town, county and state  
13 government were pushing to eliminate return-  
14 ables due to sanitary problems. Now, we want  
15 to create it again and bring it back.

16 It will not reduce the cost of  
17 handling litter because we still have to clean  
18 our highways, parks and et cetera of other  
19 litter items. Now, Oregon stated, in their  
20 New York City report, that their litter  
21 collection cost remained the same. Thus, we  
22 do not have a cost saving. Since then, they  
23 have come out with a report that their litter  
24 cost has gone from five hundred thousand  
25 dollars a year to eight hundred thousand

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1 dollars a year. That's a three hundred  
2 thousand dollar increase with a returnable  
3 bottle in their area. This is not alleviating  
4 the litter problem whatsoever in this case.

5 Now, if we pass a law banning non-  
6 returnables in the State, we are not just  
7 flipping a light switch to off which can easily  
8 be turned back to on. It will be a change which  
9 will cost millions of dollars to industry who  
10 will have to pass it along to the consumer.  
11 Besides, it will be making a large impact on  
12 the labor force in our State. Even if we can  
13 create extra jobs at retail stores with  
14 returnables, are these jobs adequate for the  
15 men in this industry supporting a family and  
16 paying taxes? In no way will there be jobs to  
17 offset this. Besides, we will do nothing to  
18 help our real problem.

19 The answer is not the law of banning  
20 non-returnables. It is time for government,  
21 industry and environmentalists to stop using  
22 their strength to fight one another on an issue  
23 that will not solve our problem, and to join  
24 in getting the answer before our solid waste  
25 problem is out of hand. Being a large County,

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1 we should be the leader in this field, not  
2 be led by some small state that is not close  
3 to our problem.

4 Gentlemen, if we get a head cold,  
5 we do not remove the head, we cure the cold.  
6 So, why eliminate the can and non-returnable  
7 when it, also, will not solve our problem?

8 In closing, I would like to say that  
9 the beverage industry comprises more than four  
10 per cent of the solid waste and, yet, you want  
11 to eliminate it and restrict it, and let the  
12 other offenders, ninety-six per cent, continue  
13 to create havoc for us. If returnables are  
14 the answer, why just beverages? Why not ban  
15 canned vegetables, fruit, make catsup bottles,  
16 also all bottles, et cetera, returnables? It  
17 is not the answer to our problems. If we  
18 pass this law in Suffolk County, gentlemen, it  
19 will set the food industry back twenty years.

20 Thank you. [APPLAUSE]

21 MR. FELDMAN:

Do you have any figures on how much  
22 it will cost the industry to convert from non-  
23 returnables to returnables?

24 MR. BUTLER:

I don't have any right now, but I  
25 will say this to you. Our operation is a

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1 little different than most of the beverage  
2 companies. We do not do store to store  
3 delivery.

4 MR. FELDMAN: I am talking about when non-  
5 returnables first came into existence, how  
6 much did it cost at that time to convert from  
7 the returnable bottle to the non-returnable  
8 bottle and how many people lost their jobs  
9 because the non-returnable came into existence?

10 MR. BUTLER: I don't think there is any comparison,  
11 because down in Oregon, they had sixty per cent  
12 returnables before they put this law into  
13 effect, and I think you will find it is about  
14 five per cent returnables today.

15 MR. FELDMAN: I just want to know what the figures  
16 are, if you have any statistics.

17 MR. BUTLER: Out in Oregon, they had no can  
18 companies in that state. There is no loss of  
19 employment when you don't make any cans in the  
20 state. Right here in New York State, you have  
21 can places, and these can places, the people  
22 will be out of business.

23 My industry and my company, out in  
24 Oregon, our business is down to five per cent,  
25 which is roughly thirty-eight per cent of the

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1 soda business due to this ban. Not only that,  
2 but we have a returnable can out there. We  
3 don't get fifty per cent of these cans back  
4 and, gentlemen, I am going to tell you where  
5 these cans go. They go into the solid waste  
6 and are just put in in bulk because there is  
7 no way to reuse them out there in Oregon. What  
8 would we do if we had that situation here?

9 I know you would put my business  
10 out here in Suffolk County. Vermont put the  
11 law in and we are out of business in Vermont.  
12 Our product goes through a warehouse. We  
13 have no way of getting our bottles back  
14 unless they will bring it back through their  
15 warehouse.

16 MR. FELDMAN:

17 Let's go back a little bit. The  
18 man from Seven-Up spoke about employing more  
19 people because you had to put more trucks on  
20 the road and you had to wash the bottles.  
21 Therefore, there would be more people employed.  
22 What I am trying to find out is how many  
23 people lost their jobs because the non-  
24 returnable bottles came into effect? None,  
25 zero, some, two per cent, three per cent? Did  
anyone lose their job because of the non-

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1 returnable bottling system?

2 I am asking about way back in 1940  
3 when we all had returnable bottles and,  
4 eventually, we came to non-returnable bottles.  
5 Did anybody lose their job because of the non-  
6 returnable bottle?

7 In 1955 when the returnable bottle  
8 basically went out and when the non-returnable  
9 bottle came in, was there a loss of employment?

10 MR. BUTLER:

I couldn't tell you that because I  
11 wasn't in the industry right then and I am not  
12 prepared with those figures right now.

13 FLOOR:

I can give you that answer. When the  
14 cans came in and there was a switching over  
15 to the non-returnable package, there was a  
16 grain shortage in this country, and it had no  
17 effect. During the war years, there was a  
18 grain shortage and production was limited.  
19 The breweries were told how much they could  
20 brew for civilian consumption and what of  
21 their production they had to give the Army,  
22 Navy, et cetera. I was in the industry then  
23 and it didn't have any effect. You wouldn't  
24 come up with a figure from those years, that  
25 would be true.

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1 MR. DOWNEY: Could you tell me what percentage of  
2 beer is sold in bottles in Suffolk County out  
3 of the total manufactured in New York City?

4 MR. BUTLER: I could not do that because in our  
5 operation, it comes from a warehouse in Nassau  
6 County and in Suffolk, and our product can go  
7 any place.

8 MR. DOWNEY: Do we have any major canneries here  
9 in Suffolk County that do manufacturing for  
10 the beverage industry?

11 MR. BUTLER: Not that I know of, but they are  
12 in the state. I know people living in Suffolk  
13 that are in the can industry, working for  
14 American Can.

15 MR. DOWNEY: Where is this outfit?

16 MR. BUTLER: It is down in Schaefer Brewery. I  
17 have a brother-in-law that works down there and  
18 they have a number of people working there that  
19 live out in Suffolk and Nassau County, also.

20 MR. DOWNEY: Can you give me an idea of the number  
21 of people?

22 MR. BUTLER: No, I can't.

23 MR. O'NEIL: Thank you, Mr. Butler. Mr. Harold  
24 O'Connors?

25 MR. O'CONNORS: My name is Harold B. O'Connors, Jr.

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1 I live in Stony Brook. I am Assistant Research  
2 Oceanographer and Lecturer of the State  
3 University at Stony Brook.

4 As a recent emigrant from the State  
5 of Oregon, I would like to take this opportunity  
6 to state a few of my own observations  
7 concerning some of the effects that Oregon's  
8 bottle bill has had on that State:

9 Very briefly, the major purpose of the  
10 Oregon Minimum Deposit Act was to control  
11 beverage container litter, especially along  
12 roadsides and in recreational areas. The law  
13 has been very effective in this regard. The  
14 bottle bill, coupled with an effective litter  
15 pick-up effort by city, county and state  
16 governments has greatly reduced visual pollution  
17 from beverage container litter in Oregon.  
18 That discarded returnable containers now have  
19 value has been recognized by numerous groups in  
20 Oregon; these groups have financed part of  
21 their activities by roadside bottle collections.  
22 Therefore, once picked up, beverage container  
23 litter has not, for the most part, reappeared  
24 following passage of the Oregon bottle bill.

25 Secondly, the retail price of

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1 beverages sold in refillable glass bottles  
2 decreased after the bottle bill went into  
3 effect. The grocery stores made much of this.  
4 This was due to the lower costs of the  
5 refillable bottles.

6 In this state, the beverage container  
7 industry financed an expensive media and  
8 lobbying campaign against the passage of the  
9 Minimum Deposit Act, as to jobs to be lost,  
10 et cetera. Much of this did not come into  
11 effect. If that industry had invested that  
12 money in the acquisition of equipment and  
13 facilities needed for compliance with the new  
14 law, I feel everyone in Oregon would have been  
15 much better served.

16 The Federal EPA, in summarizing a study  
17 of the impact of the first six months of  
18 operation of the Oregon bottle bill stated that  
19 "...beverage containers in litter can be shown  
20 to have declined by approximately ninety-six  
21 per cent..." And I have appended a copy of  
22 that summary report to my statement. In my  
23 opinion, it is not too much to expect that  
24 the enactment of the Suffolk County Beverage  
25 Container Act would have a similar beneficial

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1 effect upon the environment of Suffolk County.

2 Thank you.

3 MR. FELDMAN: How much unemployment was caused by  
4 this in Oregon? Do you have those figures?

5 MR. O'CONNORS: Yes, I do, as a matter of fact. The  
6 EPA summarized this data. They were able to  
7 count one hundred forty-two jobs that were lost,  
8 but this does not include a sizable number of  
9 new jobs that were created by the handling --

10 MR. FELDMAN: [INTERPOSING] What was the net  
11 effect?

12 MR. O'CONNORS: The net effect was not determined.  
13 I suspect labor studies would probably have  
14 this data. It is not available to me. As  
15 you probably know, data on this is very  
16 difficult to come by.

17 Any other questions?

18 MR. O'NEIL: Thank you. Mr. Robert Donovan?

19 MR. DONOVAN: Mr. Chairman and members of the  
20 Committee, my name is Bob Donovan. I am  
21 Regional Public Affairs Director of Owens-  
22 Illinois, Incorporated. I am, also, a  
23 representative of the members of the Glass  
24 Manufacturers Industry.

25 Proponents of the restrictive

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1 packaging legislation being discussed today  
2 by the Suffolk County Environmental Control  
3 Committee offer four reasons for the advocacy  
4 of this type of legislation. The first is the  
5 reduction of soft drink and beer container  
6 portion of litter.

7 Secondly, reduction of soft drink  
8 and beer container portion of solid waste.

9 Third, preservation of natural  
10 resources and, fourth, conservation of energy;  
11 and these four objectives cited by sincere,  
12 well-meaning, environmentally concerned  
13 proponents are of noble intent.

14 My company and industry whole-  
15 heartedly endorse the goal, but unalterably  
16 oppose legislation that would ban, tax or  
17 require mandatory deposits on soft drink and/or  
18 beer containers in the illusory attempt to  
19 realize these objectives.

20 Now, proponents of such simplistic  
21 measures ignore the fact that the free market  
22 and the evolutionary development of our  
23 highly complex and efficient food and beverage  
24 distribution system automatically requires that  
25 each product and package succeed on its own

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1 merits or be replaced or obsoleted by  
2 competitive materials.

3 The factors that affect this overall  
4 market judgment include raw material  
5 availability and cost, manufacturing and  
6 distribution energy demands and environmental  
7 considerations, along with other more subtle  
8 and complex influences.

9 Now, just a brief comment about the  
10 four objectives. Litter is an old-age  
11 subject. I am sure you heard this before, but  
12 Shakespeare's father was arrested and fined  
13 for littering centuries ago, and it wasn't  
14 non-returnable containers, and the whole thing  
15 may go back to Adam when he threw away that  
16 first apple core; but you know, beverage  
17 containers do make up a small portion of the  
18 litter, and so do several hundred other items.  
19 Of the seven sources of litter, restrictive  
20 container measures would affect only two. Even  
21 if the beverage and brewing industries were  
22 eliminated completely, there would be no  
23 reduction in litter pick-up costs, equipment  
24 or people employed for that specific purpose.  
25 In fact, the Oregon pick-up costs have not

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1 diminished. It has increased. The same with  
2 Vermont. So, the path to the objective of  
3 litter control can be found in education,  
4 enforcement of realistic litter laws and  
5 properly placed waste receptacles. Enthusiastic  
6 interest in the Action Research Model Project  
7 combining behavioral sciences and the practical  
8 application of litter control measures is growing,  
9 and we sincerely recommend this course of  
10 action to you people in Suffolk County.

11 As far as solid waste is concerned,  
12 soft drink and beer containers account for less  
13 than two per cent of our total solid waste  
14 stream, and according to Professor Bowman from  
15 the University of Southern California, in his  
16 testimony to the Illinois Pollution Control  
17 Committee, it accounts for about seven per cent  
18 of home waste. The illusory solution of  
19 restrictive container legislation serves only  
20 to mask the real issue and delay genuine  
21 solutions which are in the process of rapid  
22 development. Paralleling the system's  
23 development is the Glass Container Manufacturing  
24 Institute's Waste Glass Beneficiation sub-  
25 system now operating in Franklin, Ohio, which

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1 produces color sorted glass cullet for  
2 recycling purposes from a glass rich solid  
3 waste residue. Secondary products and  
4 processes such as Thixite, Slurry Seal,  
5 glass building blocks and bricks and  
6 insulation material have been developed,  
7 and a number of these have been declared  
8 economically feasible by the Mid-West  
9 Research Institute.

10 As far as natural resources are  
11 concerned, the Glass Container Industry  
12 is in the enviable position of having three  
13 billion years worth of natural resources  
14 available. Presently, we are feeling the  
15 effects of a shortage of soda ash production  
16 facilities, but this temporary problem is  
17 expected to ease by late 1975 or early 1976.  
18 Cullet or waste glass is a necessary part of  
19 the batch and is desired by our industry; and  
20 to state a glass industry goal is the  
21 utilization of fifty per cent cullet as soon  
22 as reliable sources of supply develop through  
23 solid waste recovery systems such as the  
24 Hempstead Black Clawson Plant. Until then, we  
25 hope to stimulate community recycling programs

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1 which, up to the present, have generated an  
2 ever increasing amount of cullet.

3 As far as energy, Herman Kahn's  
4 observation is that there is no shortage of  
5 energy in the world, only a shortage of  
6 very cheap energy applies to and affects all  
7 industries and individuals. The glass  
8 industry has reacted to this developing  
9 situation in many ways including improved  
10 furnace design and insulation, development of  
11 lighter weight, stronger glass containers  
12 combined with a trend to larger family size  
13 packages, such as forty-eight ounce and half  
14 gallon soft drink containers, which means more  
15 containers or contents per unit of energy. An  
16 example of energy conservation progress by  
17 design can be found within my company. In the  
18 early 1940's, an average of fifty-five hundred  
19 BTU's were required to melt a pound of glass,  
20 whereas two years ago, the average was  
21 twenty-seven hundred BTU's.

22 To put this thing into some kind  
23 of perspective, the air-conditioning industry  
24 in this country, the air-conditioning alone  
25 is responsible for the utilization of two and

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1 one-half per cent of our entire energy  
2 output. The entire glass industry, that's  
3 everything, uses ten per cent of that figure,  
4 .024 per cent and as far as soft drink and  
5 beer containers, we are talking about one-  
6 tenth of one per cent, the entire energy output.  
7 So, in consideration of these positive  
8 actions by industry, our industry, which  
9 parallel and compliment similar actions by  
10 other producers of packaging and beverages,  
11 and projecting these efforts into the future,  
12 we respectfully request that the Suffolk  
13 County Environmental Control Committee accept  
14 our offer of cooperation in the development of  
15 realistic solutions to the problems we are  
16 discussing today. We consider restrictive  
17 container legislation counter productive,  
18 economically destructive and unworkable; and  
19 state again our unalterable opposition to these  
20 anti-consumer measures.

21 Thank you very much.

22 MR. FELDMAN: Would you tell me the cost of  
23 manufacturing a returnable and the cost of  
24 manufacturing a non-returnable bottle?

25 MR. DONOVAN: I can only generalize by saying a

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1 returnable container is roughly twice the  
2 rate of a non-returnable. You see, there is  
3 another trend involved where returnables are  
4 usually smaller sizes. The non-returnable  
5 capacities are increasing and are lighter in  
6 weight, and we are combining glass with  
7 plastic in many cases to reduce that weight and  
8 reduce the energy requirement.

9 MR. FELDMAN: It would cost approximately two  
10 times as much to produce a returnable bottle  
11 as it does non-returnable?

12 MR. DONOVAN: Yes.

13 MR. FELDMAN: You alluded to the increase in cost  
14 for pick up of waste in Oregon. Is that the  
15 labor cost?

16 MR. DONOVAN: No, I am talking about the litter  
17 pick-up costs in Oregon that have increased and  
18 admittedly so.

19 MR. FELDMAN: Is that due to the labor factor?

20 MR. DONOVAN: I believe it was due to the fact  
21 that they did add more people to the highway  
22 crews. There were a number of allegations  
23 and the facts have not really come out. We  
24 do know that the cost prior to the bill ran  
25 somewhere around a half a million dollars a

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1 year and it is in excess of that now. In  
2 Vermont, I do have figures. I don't have  
3 them with me, but I know that the Vermont  
4 highway pick up has increased. There has been  
5 an ever increasing cost factor.

6 MR. O'NEIL: Doctor Fischer, would you want to  
7 comment on that aspect of it? I know you  
8 went to Oregon and interviewed several public  
9 officials.

10 DOCTOR FISCHER: What I am curious about is that you  
11 made the point that by reducing the litter  
12 here, we wouldn't be reducing the cost of  
13 litter pick up because trucks would still be  
14 going out and picking up other things if it  
15 weren't beverage containers. Now, you are  
16 saying that the cost of litter pick up is  
17 increased in Oregon and Vermont. Are you  
18 implying that because it requires more people  
19 to pick up more litter, that resulted from  
20 the legislation?

21 MR. DONOVAN: No. The point I make is that that  
22 solution is, in a sense, inducement as far as  
23 reducing litter pick-up cost as one of the  
24 prospects.

25 DOCTOR FISCHER: What you are saying is in either

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1 case, the cost for litter pick up is not  
2 going to be affected by any change that would  
3 occur either from a law or from the lack of a  
4 law?

5 MR. DONOVAN: I think the best assumption is that  
6 it will remain the same. If we wiped out the  
7 New York City garbage, I am sure the people  
8 will continue to work somewhere.

9 DOCTOR FISCHER: I think what Regis is alluding to  
10 is the apparent cleanliness in the Oregon  
11 landscape which struck all visitors there.  
12 It is kind of difficult to compare when you  
13 haven't seen it before; but certainly it is  
14 different there than it is here.

15 MR. DONOVAN: There is no doubt that litter in  
16 Oregon is almost non-existent. The  
17 discrepancy is what caused that diminishing  
18 litter factor? I know Chris Gilson is here.

19 MR. FELDMAN: Could you get this Doctor Kahn to  
20 talk to LILCO about this cheap energy?

21 MR. DONOVAN: This was an interview conducted in  
22 the National Observer not too long ago, and  
23 I think what he said makes a good deal of  
24 sense. It is not a lack of energy in the  
25 world, it is the cost of getting that energy

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1 and making it available. If it ever gets  
2 to the point, very frankly, where it is too  
3 expensive to make a glass container due to  
4 the energy costs, we are not going to make  
5 glass containers.

6 MR. DOWNEY: As an energy conservation measure,  
7 you stated you were talking in very small terms.  
8 Is it your opinion that our law would conserve  
9 energy as opposed to recycling bottles and  
10 cans?

11 MR. DONOVAN: I think Bill Bengen touched on it  
12 very quickly. There are no glass production  
13 facilities or can production facilities where  
14 the energy saving, theoretically, would be  
15 realized. Any energy factors would pertain  
16 only to the distribution and the bottling of  
17 the soft drink and beer and, in that case, I  
18 fear you will come up with a loss.

19 MR. KLEIN: Mr. Chairman, just one observation  
20 if I may and, again, perhaps it is premature,  
21 but the only track record we have in county  
22 government to this kind of situation -- I  
23 can recall a period of time when the towns  
24 decided to increase the specifications for  
25 roads, drainage and park dedications and

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1 and subdivisions, and the building industry,  
2 quite sincerely and very vehemently predicted  
3 the end of construction in Suffolk County.  
4 The end of construction, regrettably, has  
5 not come in Suffolk County.

6 Then, we came along with a detergent  
7 ban which was contemplated here for some time,  
8 and the industry, quite sincerely and quite  
9 vehemently, predicted the demise of both the  
10 reduction in retail industry sales in  
11 detergents to say nothing of the wrath of  
12 Suffolk County housewives, and neither of  
13 these predictions developed in great numbers.

14 What troubles me about the  
15 presentation, and again I may be premature,  
16 but I think it is signified by Doctor Feldman's  
17 repeated questioning of the same issue, have  
18 we got anything to document the predicted  
19 death of all of those who are employed in can  
20 manufacturing plants in New York State if we  
21 adopt the Suffolk County ban or legislation  
22 relating to deposits. Can we document the  
23 cost of the distributor, the increased cost  
24 by the application of this legislation -- not  
25 a ban -- but this legislation? Can we

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1 document costs to the manufacturer? Can we  
2 document the cost to the retailer and, maybe,  
3 this is the wrong forum that it should be done  
4 in? Perhaps, it should be done in separate  
5 conference type sessions; but it seems to me,  
6 while I have tried very hard to get a grip on  
7 what's been said here by those who are in  
8 opposition to the proposal, everything that has  
9 been stated is a conclusion, and we are  
10 talking about a very important and very far-  
11 reaching piece of legislation and rather than  
12 dealing in conclusions, I think we ought to  
13 deal in proof. I wonder whether that's going  
14 to happen.

15 MR. DONOVAN:

16 I am not going to give any facts  
17 because I really don't have the facts on what  
18 will happen in the future; but I can say this  
19 from a fairly factual background, I think, that  
20 I think our industry will survive regardless  
21 of Suffolk County. I think the people you are  
22 going to hurt are the Bill Bengens and the  
23 soft drink industry. It is very possible that  
24 this Legislature, in all its honest intent,  
25 will put this law into effect and if it is  
in effect for two or three years and, then,

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1 the Legislature decides it doesn't work and  
2 says, "Let's get rid of it," what happens to  
3 the investments of all these people? This did  
4 happen in Vermont. The beer bottle restriction  
5 was in effect for three years and it didn't  
6 work.

7 All I am suggesting is let the  
8 market help itself. I don't think you can  
9 deal with it legislatively and do a legitimate  
10 -- well, I think it would be very ineffective.

11 MR. FELDMAN:

12 There is one surprising statistic,  
13 though. I was just handed this chart. The  
14 fact is, though, the soft drink industry has  
15 increased in the capacity of fluid ounces from  
16 1950 to 1971 in New York State alone. The  
17 number of plants in 1950, there were four  
18 hundred thirty-three plants in New York State  
19 producing soft drinks and, now, in 1971 and  
20 1972, with the increase of consumption, there  
21 are only a hundred sixty plants producing  
22 soft drinks.

23 MR. DONOVAN:

24 That's true in every field. I am an  
25 old pilot and I can assure you that Grumman  
Aircraft, going back into the early days of  
aviation, there were literally hundreds of

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1 airplane manufacturers. You now have very  
2 few. You have very few people in the electrical  
3 industry. We have General Electric, Westing-  
4 house and a few others.

5 MR. FELDMAN: Does the fact that the consumption has  
6 gone up and the plants have gone down, that  
7 would seem to make you think that, possibly,  
8 the non-returnables have affected the industry  
9 and have caused the demise of many people  
10 being employed.

11 MR. DONOVAN: I think efficiency is the name of the  
12 game.

13 MR. FELDMAN: I think efficiency creates  
14 unemployment.

15 MR. DONOVAN: We have the largest employment on  
16 record and we have a better standard of  
17 living than we ever had before and so forth.  
18 I think that argument -- I don't think there is  
19 any. The possibility of going back to the  
20 large number of small plants, I don't think,  
21 will ever take place. I think those days are  
22 gone.

23 I might point out that we make  
24 returnable and non-returnable. If anybody is  
25 going to benefit by this legislation we,

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1                   theoretically, would.

2                   There are areas in the country where  
3                   there are excellent returnable markets. Oregon  
4                   was, prior to the legislation, at least sixty  
5                   per cent returnable. There was no traumatic  
6                   effect there, the type of effect that you have  
7                   in this area.

8                   MR. DOWNEY:

                  Mr. Donovan, I have one question.

9                   You mentioned that you are coming back to the  
10                  market processes, and I think you mentioned a  
11                  number of ways to pre-market the product.

12                  "Let me quote from the more subtle and  
13                  complex influences;" by that I would assume you  
14                  were talking about advertising as a part of the  
15                  pre-market?

16                  MR. DONOVAN:

                  Advertising is a part of it and as  
17                  far as advertising is concerned -- I think I  
18                  know what you are leading up to -- if  
19                  advertising was as effective as we hope it is  
20                  going to be, then seven out of ten new  
21                  products would not make it to the market place.

22                  MR. DOWNEY:

                  What also concerns me is that the  
23                  last year, the aluminum product manufacturers  
24                  have spent over ten million dollars to tell  
25                  the people what they do.

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1 MR. DONOVAN: Where did you get that figure from?

2 MR. DOWNEY: Priscilla.

3 MR. DONOVAN: I spoke to her on the phone a little  
4 while ago, and those figures are not -- this  
5 is her best estimate.

6 MR. DOWNEY: It would seem very difficult to me  
7 that you can have an interplay of pre-market  
8 place if you are confusing market place with  
9 advertising. The subtleties seem to override  
10 the price of market and demand.

11 MR. DONOVAN: Where were you back then when we had  
12 the returnable milk bottles? We lost that  
13 entire market.

14 We had an experience with one of our  
15 subsidiaries in Germany. When we merged with  
16 these people, we were promised that one piece  
17 of business we would not have to fear losing  
18 was the German hausfrau's packaging of  
19 vegetables; it was the home canning. We have  
20 that and we don't know what to do with it  
21 because the market disappeared. Advertising  
22 is not one of the major influences. I think  
23 the major influence is the consumer's desire  
24 for convenience, and you are just not going to  
25 beat it.

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1 MR. HALL: Mr. Donovan, it seems to me that  
2 implicit in what you are saying is that if all  
3 of the soda in this County came in returnable  
4 bottles, people wouldn't buy it. There will  
5 be the same consumption in any case, is that  
6 right?

7 MR. DONOVAN: No, I am not saying that. I think  
8 people will continue to buy the soft drink now.  
9 I think you would have this long-range effect,  
10 though. You have one hundred fifty-seven  
11 competitive products on the shelves now, like  
12 ice teas, and things that people will buy. The  
13 manufacturers will tell us that there would be  
14 a subtle conversion in the consumer's purchasing  
15 habits because of the difficulty of returning  
16 containers in this area to these other products,  
17 and I think, again, that your soft drink people  
18 would be the ones that would suffer in that  
19 respect.

20 MR. HALL: You think the people, instead of  
21 buying Coke, would buy ice tea?

22 MR. DONOVAN: Ice tea and fruit juices have gotten  
23 to be a big seller. In Oregon, your wine is  
24 a big seller. We know that in Vermont, as an  
25 indication, the border cities in Vermont have

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lost their beer business to New Hampshire and New York. There are other factors, but the straw that broke their back was the deposit bottle.

The Vermont Legislature, by the way, was nearly in a frenzy the last part of this year trying to come up with corrections to the present law because it hasn't worked. Litter has not been reduced in Vermont. Town highway litter, according to the Vermont Highway Department Litter Study, indicates that town highway litter in November was as high or higher than it was prior to the bill coming into effect in July and August, and the expenses are higher. Vermont is only about four hundred fifty thousand people. We are talking about an excess of a million here. You would have the same effect that Nassau County and other various -- I heard Doctor Fischer say at the lobby hearing that this type of legislation would be better served if it were a state situation instead of doing it on a local basis.

DOCTOR FISCHER: Yes, I agree. I think it should be a state law and I think we are doing our effort.

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1 toward influencing the state.

2 MR. DONOVAN: Well, I disagree. I don't think it  
3 should be a state law either.

4 MR. HALL: Are there any figures on what  
5 percentage of bottles are returned in Vermont?

6 MR. DONOVAN: That situation is changing so rapidly  
7 because you have both returnables and non-  
8 returnable containers. We are talking about  
9 reusable containers. Everything is returnable  
10 in Vermont, the bottles and cans, what have you.  
11 There have been conversions to returnable  
12 bottles and this is sort of a matter of self-  
13 preservation.

14 It is entirely possible, I hope,  
15 that within the next session they will vacate  
16 this situation.

17 MR. HALL: You don't have any figures on what  
18 the percentage of containers being returned is  
19 as compared to what is being sold in the first  
20 place?

21 MR. DONOVAN: I have no real figures. There are  
22 estimates by various companies, and they vary  
23 all over the lot. I can tell you this, and I  
24 am sure Bill Pearce from Coca-Cola can point  
25 this out, but the New York City attempt by

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1 three major bottlers to rejuvenate, before  
2 they went to, in some cases, non-returnables,  
3 was a sad one, indeed, because the trippage was  
4 about three.

5 MR. DOWNEY: Mr. Donovan, before you mentioned that  
6 in order to resolve this crisis that your  
7 industry would be willing to help this  
8 Legislature and give them some help in the  
9 reduction of solid waste. If this Legislature  
10 decided that it is going to go ahead with this  
11 proposal, would your industry be willing to  
12 extend itself again in possibly educating the  
13 public as to this law?

14 MR. DONOVAN: I will let Chris Gilson handle that.  
15 He will talk about the method to a litter  
16 control program that we feel is realistic. I  
17 don't see any reason why Suffolk County can't  
18 avail itself of this whether or not you enact  
19 the bill.

20 DOCTOR FISCHER: You were referring to the beer  
21 business in Vermont and the failure to return  
22 containers there.

23 MR. DONOVAN: You better do that again.

24 DOCTOR FISCHER: You were talking about, in Vermont,  
25 the poor return rates in the beer industry.

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1 MR. DONOVAN: I don't know what the return rate is.  
2 We have had estimates running as high as  
3 eighty per cent and down around ten per cent,  
4 and there is no, that I know of, there is no  
5 complete analysis. You are going through a  
6 state of flux up there. You know, they have  
7 lost so much business. The border stores have  
8 lost so much business that a number of them are  
9 going out of business. They are going through  
10 a drastic situation and, really, Vermont can't  
11 afford it because they had such a lousy winter  
12 and they are in a state of flux.

13 DOCTOR FISCHER: My understanding was, and perhaps you  
14 can shed some light on this, particularly in  
15 the beer industry in Vermont -- there was  
16 little, if any conversion, because of the law  
17 to returnable refillable containers.

18 MR. DONOVAN: I disagree. The beer industry has  
19 always had a returnable container available.  
20 I am going to leave that up to the USBA guys  
21 to cover because they are much more efficient  
22 than I am, but there has been a returnable  
23 container.

24 DOCTOR FISCHER: I am talking about conversion, any  
25 change in the market structure?

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

2 DOCTOR FISCHER: In other words, you are not  
3 prepared to discuss whether or not there was  
4 a conversion in Vermont in the beer industry  
5 from its prior can versus bottle rates and  
6 after the law, whether there was any change in  
7 the amount that was being sold in throw-aways  
8 into a refillable --

9 MR. DONOVAN: [INTERPOSING] I think I understand  
10 your question. Again, what I say, Harris,  
11 is that in the Vermont situation, you are  
12 talking about less than one-quarter of one  
13 per cent in the entire market in this country,  
14 and it is a little difficult to ask any  
15 industry to make a conversion for one-quarter  
16 of one per cent. Now, they do have on premises  
17 consumption which is, mainly, as I understand  
18 it, returnable containers. They have the  
19 returnable containers available. They have  
20 the beer in returnable containers.

21 I think that these are available to  
22 the individual distributor, and it is up to  
23 the market as to whether they want to stock  
24 them or what.

25 What happens when the consumer comes

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1 in and they are available, more often than  
2 not, they don't buy them. They choose the  
3 non-returnable bottle.

4 DOCTOR FISCHER: You are talking about taverns and  
5 that sort of thing where it is traditionally  
6 consumed right on the spot?

7 MR. DONOVAN: Yes.

8 DOCTOR FISCHER: Just one other question about the  
9 reference you made to New York City. Where  
10 in New York City was that?

11 MR. DONOVAN: I believe this was touched on at the  
12 Lobby Committee Hearing and, then, that was  
13 covered by the Pepsi-Cola effort and Coca-  
14 Cola, just recently; and Bill, I am sure --  
15 will you be covering that New York situation?

16 MR. PEARCE: Yes.

17 DOCTOR FISCHER: What I was trying to get at is how  
18 similar a portion of New York City would that  
19 be to the sort of situation you have in  
20 Suffolk County?

21 MR. DONOVAN: It was throughout the Metropolitan  
22 Area.

23 DOCTOR FISCHER: Would you expect, in your experience,  
24 there to be a difference in the return rates  
25 in the Metropolitan Area versus a suburban

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1 area?

2 MR. DONOVAN: I have no opinion on that because  
3 the markets, again, are so varied. The south,  
4 again, is a large returnable area; the midwest.  
5 The east is, basically, a non-returnable  
6 distribution system, a one-way distribution  
7 system, and it is difficult to take a system  
8 that may be a bit old-fashioned and try to  
9 squeeze it back into a very modern, efficient  
10 one-way system.

11 DOCTOR FISCHER: So, you have no opinion on that?

12 MR. DONOVAN: It would be real guessing. I  
13 would not give you an opinion on that.

14 MR. O'NEIL: Thank you. Mr. Barry Andres,  
15 Commissioner of Environmental Control for the  
16 Town of Islip. Mr. Andres?

17 MR. ANDRES: Members of the Legislature, I  
18 actually have two hats, representing the Town  
19 of Islip with its three hundred thousand  
20 people, we have a considerable litter task  
21 force in operation. We have landfills, and  
22 we have incinerators and we have found,  
23 through experience, that a large portion of  
24 these materials that we pick up along the  
25 roadsides are, in fact, these beverage

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1 containers. We have a large amount of  
2 facilities with recycling, such as the color  
3 gradations that are required. You have to  
4 remove these metal rings.

5 When you are all done getting  
6 through the safety problems involved, you have  
7 a relatively low market value. It is an  
8 economic mess.

9 The situation with respect to  
10 landfill volume is not particularly critical.  
11 We are dealing with a relatively low figure  
12 and the difficulties associated with the entire  
13 packaging problem. The problems that we are  
14 faced with in the incineration of any of the  
15 bottles and cans are great because they do  
16 groove up your brickwork and your grating.

17 If I were to turn the other hat  
18 just for a moment, as President of the Multi-  
19 Town Solid Waste Management Corporation, we are  
20 representing the Towns of Babylon, Huntington  
21 and Islip, involving some seven hundred fifty  
22 thousand people. The projected wastes that we  
23 are facing are from three to four thousand tons  
24 per day in the not too distant future. We are  
25 presently evaluating all forms of solid waste

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1 disposal facilities. We have not, at this  
2 moment in time, come up with any solution. We  
3 are, obviously, going for whatever we can that  
4 will give us the ultimate in recycling.

5 One of the problems that we are faced  
6 with with any of these cans or bottles is that  
7 they do not, in fact, have any thermal value.  
8 We can't convert them to energy, and there is  
9 the relatively high cost of whatever types of  
10 equipment would be required as opposed to the  
11 return. Regardless of what we finally decide  
12 to do for this, effectively, fifty per cent of  
13 the population for Suffolk County, it is not  
14 about to cure this litter problem. The litter  
15 is something that, as has been discussed, is  
16 a psychological problem. The manufacturing,  
17 retail and advertising giants of this land with,  
18 apparently, endless financial resources, seem  
19 to have brainwashed the public into a throw-  
20 away society. At least that's my opinion.

21 The population growth that we have  
22 experienced and we have associated per capita  
23 with total solid waste, generally, has made  
24 the solid waste management the number one  
25 socio-environment task facing us today. I don't

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1 think the public truly recognizes the amount  
2 of dollars involved in the total correction of  
3 disposables. We must help swing this pendulum  
4 back from the throw-away attitude of today to  
5 the realistic attitude of practical resources.  
6 The proposals that are here today will assist  
7 somewhat in the production of solid waste  
8 disposal, but even more important, it should  
9 bring about an awareness of the overall problem  
10 on the part of the general public.

11 We endorse the concept.

12 MR. O'NEIL: Thank you, Commissioner. Mr. Daniel  
13 Adams?

14 MR. ADAMS: Mr. Chairman, County Executive Klein,  
15 members of the Committee, my name is Daniel  
16 Adams, and I am Vice-President of the United  
17 States Brewers Association.

18 Last time members of labor and  
19 industry met with your Committee, we offered  
20 to you a system of resource recovery guaranteed  
21 market for all metals and glass and a program  
22 of litter prevention. Today, however, we find  
23 ourselves defending our existence. I,  
24 personally, wish we did not have to for these  
25 positive answers are at hand, so that at the

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1 onset of my statement I, again, offer the  
2 services of this association to Suffolk County.  
3 We understand your plight, but we can't, in  
4 all sincerity, understand why members of labor  
5 and industry who manufacture and market beverage  
6 packaging should be diverted to a posture of  
7 defense when we could so easily work collectively  
8 with you. I would rather, today, answer your  
9 letters of guarantee and markets, and assist  
10 the County in the economics of such a system.

11 We have read Doctor Fischer's paper  
12 and a proposed measure entitled "The Suffolk  
13 County Beverage Container Act". I wish to  
14 call your attention, at this time, to three  
15 articles, the Syracuse Post-Standard dated  
16 March 22, 1974; the letter dated July 27th,  
17 which acted as force data for litter  
18 percentage and its study conducted by the  
19 Erie County housewives in terms of pollution,  
20 and a letter dated January 8th from the New  
21 York State Thruway Authority. Doctor Strausser,  
22 in his Syracuse Post-Standard article says  
23 that he has changed his mind. Perhaps, Doctor  
24 Fischer will recall, during his presence in  
25 New York City on February 20th at the third

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1 lobby hearing, that Doctor Strausser stated  
2 he had analyzed USBA statistical data. With  
3 that in mind, Doctor Strausser has reduced his  
4 costs of collection and disposal.

5 I would also like to add that brewing  
6 information is on record in almost every state,  
7 in state government departments responsible for  
8 the collection of tax revenue and/or for the  
9 control and regulation of alcoholic beverages.  
10 Beer is an alcoholic beverage.

11 In reviewing Doctor Fischer's paper  
12 on the subject, he refers to a study conducted  
13 by the Erie County housewives. This is Number  
14 80, Page 4 of that study. The letter dated  
15 July 27th before us, is source data on litter  
16 used as a base for that study and employed by  
17 Doctor Fischer for a litter analysis. I  
18 offered this data in evidence at the New York  
19 State Hearing. I asked Doctor Fischer to  
20 review this source information. I believe he  
21 will, as a man of integrity, include the data  
22 offered to his own findings. Also, I have  
23 provided you a letter dated January 8th from  
24 the New York State Thruway Authority. You  
25 will find that the forty-five per cent usually

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1 referred to by people who favor this  
2 legislation, simply to be properly disposed of  
3 trash in the dumpster. Areas in Amsterdam and  
4 the Niagara section of the New York State  
5 Thruway, there, traditionally, if you asked the  
6 litterer for his definition of beverage  
7 containers, he would tell you it mainly includes  
8 paper and styrofoam cups and milk cartons, plus  
9 beer and soft drink containers. Further, if  
10 one compares the data listed on Page 4 of  
11 Doctor Fischer's paper, he or she would conclude  
12 sixty-seven per cent of litter is paper.

13 This legislative proposal before you  
14 also seems to be in conflict or working at  
15 cross purposes with the Federal EPA and with  
16 the New York State Department of Environmental  
17 Conservation. On those two issues, I have in  
18 my kit, given you a letter from the EPA and,  
19 also, from the New York State Department of  
20 Environmental Conservation.

21 I have already mentioned the research  
22 model on the litter prevention program is,  
23 also, included in that kit.

24 In the area of surveying as a  
25 public opinion poll, I ask that the Committee

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1 re-read January, 1973 opinion poll conducted  
2 by Assemblyman Bob Wertz' office, under  
3 environment, 87.2 per cent, the highest  
4 per cent in the environmental category agreed  
5 to the requirement of environmental impact  
6 statement. This, I believe, we should do. Yet,  
7 we should also require an economic impact  
8 statement prior to the enactment of any so  
9 stated environmental legislation. An environ-  
10 mental impact statement is a modest statement  
11 prior to the passage of any act, for a  
12 proliferation of the deposit refund laws in  
13 the state would severely damage our business  
14 and cause the closings of others, causing the  
15 loss of over seven thousand people associated  
16 with the brewing industry. These statements  
17 with substantiated records have been submitted  
18 before a state governing body.

19 I, also, ask you to look at the  
20 letter from the state AFL-CIO.

21 I would gladly work again with Doctor  
22 Fischer in the preparation of an economic  
23 statement for Suffolk County.

24 Energy usage was, also, given in  
25 Doctor Fischer's paper. I would enjoy meeting

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1 again, Doctor, on this aspect for I find it  
2 totally irrelevant to the issue of beverage  
3 container deposits. Let me cite one example.  
4 It seems it is totally irrelevant for one  
5 particular reason. If I burn logs in my  
6 fireplace on a cold winter evening, I may  
7 spend four hundred BTU's of energy. A gallon  
8 of gasoline contains one hundred fifty  
9 thousand BTU's. Simple mathematics leads to  
10 the conclusion that my fireplace consumed the  
11 equivalent of three gallons of gasoline which  
12 could have been used to drive my car forty-  
13 five miles if I get fifteen miles to a gallon  
14 of gas. The implication that if I hadn't  
15 lit my fireplace, I could have driven my car  
16 forty-five miles is absurd. Of course, since  
17 my car burns gasoline not logs -- yet, this  
18 is the logic used by those who state we can  
19 conserve energy by using refillable bottles.  
20 Refillable bottles are twice as heavy, take  
21 up twice as much room. The simple statement  
22 of fact is not even taken into account that  
23 the bottles have to be trucked back again.  
24 Those who relate the manufacturing of energy,  
25 in the case of aluminum, who report their

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1 savings in thermal units and convert the  
2 results to gallons of gasoline, this makes as  
3 much sense to me as trying to run my car on  
4 logs.

5 The Suffolk County Beverage Container  
6 Act is a copy of the State of Michigan's  
7 House Bill No. 4926. Michigan's Governor  
8 Milliken sent members of that state to Oregon  
9 to study the effects of the Oregon bill and to  
10 report their findings, and then provide a cost  
11 benefit analysis on that particular piece of  
12 legislation. The Michigan State Congressional  
13 Department Analysis regarding a five cent and  
14 ten cent deposit on all other containers is  
15 included in the kit, and this analysis shows,  
16 when examined in terms of increased costs of  
17 beverages, the costs of unemployment,  
18 unemployment compensation costs, lost income,  
19 tax revenue, lost sales tax revenue and possible  
20 welfare costs, and the social and human cost  
21 of losing jobs, the very marginal benefits of  
22 the bill are grossly outweighed by the costs.

23 They conclude the bill does not  
24 accomplish its intended environmental objectives  
25 and proposes severe negative economic

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1 consequences.

2 I could carry Doctor Strausser's  
3 analysis one step further. I could take his  
4 collection of disposable costs in Erie County  
5 and show the cost to each county resident for  
6 the collection to be twenty cents. One  
7 direct result of that bill may certainly be  
8 a higher increase of twenty cents per six pack,  
9 not including the deposit charge; but if I made  
10 that same analysis using beer's tax  
11 contribution, I would find, on a resident basis  
12 in Erie County, that beer generates ten  
13 dollars seventeen cents to the management of  
14 our government.

15 In respect to the Suffolk County  
16 Beverage Container Act and any formal opinion  
17 rendered regarding the validity of such an act,  
18 the state has regulated the field of alcoholic  
19 beverages with the thoroughness employed in the  
20 State of New York in its regulation of the sale  
21 of alcoholic beverages. This is contained  
22 in the light of the state's traditionally  
23 recognized pre-emption of the entire field  
24 in dealing with the sale, regulation and  
25 distribution of alcoholic beverages. It is

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1 most clear that no county possesses the power  
2 or authority to enact a local law requiring  
3 licensees who have been licensed by the state  
4 to sell beer, to be affected by a cash payment,  
5 both refillable and non-refillable beer  
6 containers and requiring certain markings to  
7 be placed on non-refillable beer containers  
8 sold within the county.

9 To close, the percentage of total  
10 package goods is 92.4 per cent. I conclude  
11 that the bumble bee is no longer flying with  
12 the returnable system in Suffolk County.

13 Thank you very much. [APPLAUSE]

14 MR. KLEIN:

15 Mr. Adams, I think you are addressing  
16 yourself to the subject that I came to hear  
17 today and I, perhaps, say I am in the wrong  
18 forum, but let's talk about economic impact  
19 statements.

20 It seems to me your position is,  
21 number one, that there is an inadequate  
22 justification for the legislation and, number  
23 two, that it has an economic impact which  
24 outweighs the justification and, number three,  
25 that we don't have the authority to do it  
anyway. Is that essentially what you said?

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1 Perhaps, over-simplified.

2 MR. ADAMS: Yes, it is.

3 MR. KLEIN: It seems to me that there has been  
4 tendered here as justification for this  
5 legislation an impact in certain fields which,  
6 as you pointed out in Michigan and elsewhere  
7 must be weighed; and I think it is time, I  
8 think it is past time that in many instances  
9 we do, in addition to environmental impact  
10 statements which have become quite fashionable  
11 and necessary, economic impact statements which  
12 are going to become increasingly fashionable  
13 in the economic times ahead -- I would like to  
14 know whether, from the industry's point of  
15 view, you or others of the industry have done  
16 or are willing to produce and deliver to this  
17 Committee and to me an economic impact  
18 statement which addresses itself specifically  
19 to this piece of legislation, about its  
20 expected economic impact directly and  
21 indirectly in Suffolk County.

22 MR. ADAMS: Mr. Klein, in my testimony, I  
23 offered to work with Doctor Fischer on the  
24 same subject. I certainly will.

25 MR. KLEIN: Okay. That, it seems to me -- and

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1 then I promise, Mr. Chairman, I will back off  
2 -- but that, it seems to me, is the heart of  
3 what we are doing here and that is to put on  
4 balance those arguments in favor and the  
5 economic impacts on the other side, and see  
6 which way the scale falls.

7 MR. ADAMS: I would like to add one further  
8 thought, sir. I didn't get in here until  
9 late last night. You do have a litter problem.  
10 I see it and I recognized it this morning.  
11 Part of it we are responsible for.

12 I have here a model anti-litter act  
13 which I would like the Committee to consider  
14 for adoption in the County. I also recommend  
15 that this model anti-litter act be adopted by  
16 the entire State of New York. I think this  
17 here will better solve your problem. At the  
18 same time, to answer another query, we will  
19 certainly continue, in this county, our efforts  
20 in education for I believe everyone is well  
21 aware of what the brewers and the Association  
22 have done here to pitch in.

23 Now, I would like to give this to  
24 Doctor Fischer.

25 MR. O'NEIL: Thank you, Mr. Adams. I would like to

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1 ask you, referring to Mr. Klein's remark, how  
2 long do you feel it will take you to put  
3 together an economic impact statement of this  
4 nature?

5 MR. ADAMS: I have done a matrix on the State  
6 of New York already. I have all of the  
7 analyses on the system, itself; not necessarily  
8 for the County of Suffolk. I can generalize at  
9 this time if you would like to ask me any  
10 questions, but I can't substantiate anything.  
11 It would be in a ball park figure, but quite  
12 close. If there is anything you would like to,  
13 at this time, ask me, I could certainly reply.

14 MR. O'NEIL: Harris, do you have any questions  
15 at this time of Mr. Adams?

16 DOCTOR FISCHER: I want to get back to some of the  
17 things that he said, but I think, maybe, I  
18 was curious --

19 MR. ADAMS: [INTERPOSING] I wish you would read  
20 what I left here before and then I would like  
21 to sit down with Doctor Fischer. I think there  
22 is a lot of unfounded data in his paper. I  
23 don't at all accuse Doctor Fischer of putting  
24 that in there without looking at the study.  
25 I know he looked at it, but to go back one

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1 step further, we did, I am delighted to say,  
2 that the ranks of USBA people come from the  
3 State Department, the FBI, and we thoroughly  
4 do our job. On that aspect, again, I would  
5 like to come down here at Mr. Fischer's, and  
6 Mr. O'Neil's and Mr. Klein's invitation and  
7 show you where all of our ghosts fly, so to  
8 speak.

9 DOCTOR FISCHER: I think what Regis was trying to get  
10 at was how long it would take to prepare an  
11 economic analysis just so he would have an  
12 idea of what kind of timetable we are dealing  
13 with.

14 MR. ADAMS: Now, to set up the method or the  
15 model for the study, if you tell me what you  
16 are after, I would pursue it. You would have  
17 to come to me and I will show you where I got  
18 my information. If you ask me the question,  
19 let Harris approve the models that I set up  
20 and we will go from that point on. We are a  
21 source information. We are on record. We  
22 have no problems. We know exactly how many  
23 cases of beer we sell, we know exactly what  
24 container it was sold in. We know exactly  
25 who bought it and what date, but that takes

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1 time.

2 I would like to add that Assemblyman  
3 Glenn Harris in the State of New York, has a  
4 bill now in front of the Legislature in the  
5 Rules Committee. Speaker Duryea of this  
6 County is the Chairman of the Rules Committee,  
7 and that bill provides for an economic impact  
8 statement on all environmental legislation,  
9 and I believe that everybody should take heed  
10 to that because we can't simply put people out  
11 of jobs and ruin businesses, and then not  
12 expect even a two per cent reduction in our  
13 litter.

14 We are unalterably opposed to this  
15 type of legislation. I have visited Oregon and  
16 Vermont numerous times. I have done a matrix  
17 on those things, but what you can't use, all  
18 of the other theories and data you hear, you  
19 can't use those studies as a template for  
20 Suffolk County. You have to do your own. I  
21 think you would agree.

22 [WHEREUPON DOCTOR FISCHER THEN NODDED HIS  
23 HEAD IN ANSWER TO MR. ADAMS.]

24 MR. ADAMS: This is where I am trying to help  
25 you, to show you the inequities of the economy

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1 on our business by attempting to pass such a  
2 piece of legislation. I can almost tell you  
3 today, but I want you to look at it yourself.  
4 If you have a statistician, or a Department  
5 of Commerce or an economist here, I would  
6 certainly enjoy working with him. We have no  
7 secrets.

8 MR. ASKOFF: Have you dealt with legislation in  
9 other counties?

10 MR. ADAMS: Yes, I have. I would like to state  
11 there is only one county in the state that  
12 has passed legislation, and that's Cayuga  
13 County, which bill does not go into effect  
14 until December 26th of this year.

15 MR. ASKOFF: Has anybody talked about anything  
16 relating to the passage --

17 MR. ADAMS: [INTERPOSING] We have already  
18 prepared a memorandum which we are very  
19 shortly, in the immediate future, considering  
20 a court action in Cayuga County in the area  
21 of constitutionality and pre-emption. A  
22 week before last or last week, we had, on the  
23 same grounds, we found in other states, that  
24 the pre-emption of the state held up in  
25 court.

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1 MR. ASKOFF: Would it be possible for us to get  
2 copies of the papers initiating the suit?

3 MR. ADAMS: I will have my general counsel come  
4 on and you can hear what he has to say.

5 MR. ASKOFF: I think that's something we have to  
6 do before we have that analysis.

7 MR. ADAMS: I can, also, give you an analysis  
8 on Mr. Klein's suggestion of three dollars  
9 eighty-nine cents to five dollars. Let me  
10 just add this. In the State of Oregon and the  
11 State of Vermont, the price of beer in Oregon  
12 has increased 16.92 per cent. I did these  
13 analyses. 16.92 per cent to the consumer.

14 Now, in doing that, the consumer  
15 price index naturally shows a two per cent  
16 price increase, that is an additional higher  
17 cost as a result of House Bill 1036 to the  
18 consumer. Now, in beer alone, that is in  
19 excess of eight million dollars, and I am not  
20 counting, in this analysis, the fact that not  
21 all containers are returned. That is, also,  
22 a cost to the consumer.

23 Another implicit price increase,  
24 which is about a 9.3 per cent increase also,  
25 is that the Oregon House Bill 1036 mandated

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1 through certification, that we go from a  
2 twelve ounce container to an eleven ounce  
3 container. That surely is a price increase,  
4 also.

5 In the State of Vermont, our brewers  
6 have not raised the price of beer yet. We do  
7 not have a brewer in that state. Only people  
8 inside the state, because of handling costs,  
9 administration and what have you, truck  
10 transportation, have raised their costs and  
11 justifiably so because even that bill set  
12 forth a one per cent or twenty-four cent  
13 a case handling fee. So, everybody says to  
14 us we are the culprit if big dad goes to raise  
15 the prices. That bill, itself, lets the  
16 price increase to twenty-four cents.

17 DOCTOR FISCHER: That five cents and ten cents --

18 MR. ADAMS: [INTERPOSING] No, but that five and  
19 ten cents is surely enough, though.

20 MR. O'NEIL: Thank you, Mr. Adams. We are  
21 certainly going to take advantage of your  
22 offer of help in putting together the economic  
23 impact statement that I think we need before  
24 we can make any decision.

25 \* I would like to recognize Doctor

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1 Charles Wurster.

2 MR. WURSTER:

3 My name is Charles F. Wurster. I  
4 reside at 22 Woodfield Road, P. O. Box 338,  
5 Stony Brook, New York 11790. I am Associate  
6 Professor of Environmental Sciences at the Marine  
7 Sciences Research Center of the State University  
8 of New York at Stony Brook. I am also on the  
9 Board of Trustees and Chairman of the Scientists  
10 Advisory Committee of the Environmental Defense  
11 Fund, sometimes known as EDF. EDF is a  
12 nationwide coalition of scientists and lawyers,  
13 headquartered at 162 Old Town Road, East  
14 Setauket, New York, that undertakes legal  
15 action to protect the environment. EDF has  
16 five offices across the country and a national  
17 membership of forty-seven thousand people. I  
18 testify today as an individual and, by written  
19 invitation of Legislator Regis B. O'Neil, Jr.,  
20 on behalf of EDF.

21 There are several reasons why we  
22 favor passage of the Suffolk County Beverage  
23 Container Act into law. I would like to list  
24 them briefly.

25 1. The Litter Problem - Many  
citizens are tired of seeing trash along

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1 roadsides, in parks, on beaches and elsewhere  
2 in our landscape. One study by Bingham and  
3 Mulligan, Research Triangle Institute (1972),  
4 found that sixty-two per cent by volume of  
5 roadside litter consisted of various beverage  
6 containers. In Oregon, which has had a  
7 comparable "Bottle Bill" for more than a year,  
8 beverage related items in litter have declined  
9 to less than two per cent of the total. In  
10 other words, beverage containers in Oregon  
11 litter have declined by about ninety-six per  
12 cent.

13 There is no reason to expect a  
14 different result in Suffolk County. If this  
15 bottle bill becomes law, we can anticipate  
16 a dramatic reduction in the trash that litters  
17 our landscape. Furthermore, this will occur  
18 without the use of tax monies, police power or  
19 the creation of a bureaucracy. It will be free.  
20 Fewer people will discard less trash. Those  
21 who continue to throw away containers will  
22 spontaneously generate an army of children who  
23 will voluntarily pick up all discarded bottles  
24 to collect their refunds. It is an elegant  
25 system to create a cleaner Suffolk County.

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1 Pleading with people not to litter has  
2 not worked. Charging them ten cents per  
3 discarded container is very likely to work.

4 2. Improved Cost Efficiency - Under  
5 the present throw-away arrangement, the  
6 beverage container manufacturing and  
7 distributing industries are not paying  
8 their way. Part of the costs of running  
9 their business is being passed along for  
10 other components of society to pay. These  
11 industries, in other words, are not  
12 picking up their full check. This happens  
13 in two ways.

14 (a) The environment suffers -  
15 The environment in which we all live and  
16 work is being burdened with the effluent of  
17 these industries. Just as some industries  
18 pollute our waters or our air, so the beverage  
19 container industry pollutes our landscape  
20 with the residues of its business. Our  
21 landscape is paying part of their bill,  
22 which is a part of their cost of doing business.

23 (b) The taxpayer suffers - The  
24 collection and disposal of solid waste is an  
25 enormous cost to taxpayers. Since throw-away

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1 beverage containers are an important part  
2 of our solid waste problem, the general public  
3 is subsidizing the container industry by  
4 collecting and disposing of its effluent at  
5 public expenses. Furthermore, solid waste is  
6 often discarded into valuable wetlands,  
7 thereby destroying areas of great biological  
8 value that serve as nurseries for important  
9 shellfish and finfish resources.

10 The general public and the environment,  
11 then, are losers on several fronts. The costs  
12 of the container industry are not properly a  
13 public responsibility. To the contrary, costs  
14 should be borne by those who incur them. This  
15 bill should become law because it is economically  
16 sound, because it is cost efficient, affixing  
17 the costs of manufacturing and distributing  
18 beverage containers where they properly belong.

19 3. Beverage consumers will save  
20 money - A recent study by Doctor Bruce Hannon,  
21 of the Center for Advanced Computation of the  
22 University of Illinois (American Society of  
23 Mechanical Engineers, Winter Annual Meeting,  
24 New York, New York, November 26 - 30, 1972)  
25 tells us that a glass throw-away container

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1 system is about twice as expensive as a  
2 returnable system. These data show that in the  
3 State of Illinois alone, consumers would save  
4 seventy-five million dollars per year by using  
5 returnable containers.

6 Hannon's predictions have been  
7 confirmed in practice in Oregon. The prices of  
8 beer and soft drinks have declined in Oregon  
9 since the Bottle Bill went into effect, mainly  
10 because refillable bottles are much cheaper  
11 than throw-aways. Oregon has enjoyed the added  
12 bonus of an increase in beer sales, perhaps  
13 caused by the lower price, leading to an  
14 increase in beer excise taxes for the state  
15 treasury.

16 4. Throw-away containers waste  
17 energy - The study by Hannon analyzed the energy  
18 consumption of throw-away versus returnable  
19 systems in considerable detail. In general,  
20 the energy consumed in a throw-away system  
21 varied from 3.3 times as much for soft drinks  
22 in bottles to 1.6 times as much for milk in  
23 paper throw-aways. If we are serious about  
24 energy conservation in an era of dwindling  
25 energy supplies, we cannot afford to waste it.

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1 by literally throwing it away.

2 5. Throw-away containers waste  
3 resources - In 1966 the American consumer paid  
4 twenty-five billion dollars for packaging,  
5 ninety per cent of which was discarded.  
6 Valuable metals and other resources are consumed  
7 in the process. The benefit of these resources  
8 are largely lost to society, although immortal  
9 bottles and aluminum cans remain for generations  
10 to degrade our environment. It makes little  
11 sense to build scarce energy and resources into  
12 a product destined to be consumed in minutes,  
13 the container then to be discarded, when  
14 these materials can be recycled for the benefit  
15 of society as a whole. Nevertheless, the multi-  
16 billion dollar container industry has opposed  
17 any reduction in this one-way deluge of materials  
18 and, largely through advertising, has attempted  
19 to convince the public that throw-away  
20 containers are in their best interests. We  
21 cannot blame an industry for attempting to  
22 sell even more of its product, but we must  
23 keep its motivation in mind and have  
24 effective regulation for the benefit of society  
25 as a whole.

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1                   6. Returnable bottles increase  
2                   employment -- The Hannon study also concluded  
3                   that there would be a net increase in the  
4                   number of jobs following adoption of returnable  
5                   bottles.

6                   The Environmental Defense Fund  
7                   therefore supports the Suffolk County Beverage  
8                   Container Act. It will benefit consumers  
9                   and the environment, save tax money, affix  
10                  costs more equitably, and preserve energy and  
11                  other dwindling resources.

12                  We thank you for this opportunity to  
13                  testify today.

14                  MR. O'NEIL:                   Thank you, Doctor Wurster.

15                                   Mr. William Pearce?

16                  MR. PEARCE:                   Mr. Chairman, and members of the  
17                                   Committee, my name is William Pearce, Vice-  
18                                   President of the Coca-Cola Bottling Company  
19                                   of New York, Incorporated. I want to thank you  
20                                   for this opportunity to present this statement.

21                                   First, let me say, gentlemen, our  
22                                   company and our employees share your concern  
23                                   for the solid waste and litter problem. There  
24                                   are, however, a few tremendously significant  
25                                   facts which I would like to touch upon that

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1 have a strong influence why we, the Coca-  
2 Cola Bottling Company of New York, Inc.  
3 categorically and unequivocally oppose any  
4 legislation which would mandate a deposit on  
5 non-refillable beverage containers.

6 Needless to say, our company and our  
7 industry has and is going through a packaging  
8 revolution. Particularly, when you consider  
9 the fact that only six years ago over fifty  
10 per cent of our total business was in the  
11 returnable bottle.

12 Now, what caused this dramatic change  
13 in soft drink packaging? Certainly there are  
14 many contributing factors; but the overwhelming  
15 fact is the change took place because of  
16 consumer acceptance -- consumer preference and  
17 consumer demand.

18 First, one must keep in mind the  
19 tremendous volume we enjoyed with the  
20 returnable package in 1968; well over fifty  
21 per cent of our business. Particularly, we  
22 were proud of the fact that we had a great  
23 share of the small bottle market, represented  
24 by our traditional six and a half ounce  
25 returnable Coca-Cola bottle.

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1                   So in 1968, it made good business  
2                   sense to protect our investment in our  
3                   returnable bottle business -- in spite of the  
4                   fact that consumers were trending towards the  
5                   convenient one-way packages.

6                   During 1968 and 1969, we aggressively  
7                   promoted the returnable bottle. This effort  
8                   consisted of over two hundred fifty thousand  
9                   dollars worth of newspaper advertising plus  
10                  fifty thousand dollars worth of point-of-sale  
11                  material and the imprinting of all of our  
12                  bottle carriers with the phrase "money back  
13                  bottles".

14                 Now, gentlemen, I have a couple of  
15                 these ads that were used in 1969, just to give  
16                 you an idea of the copy. Again, I say this  
17                 was no Mickey Mouse copy. This was this type  
18                 of ad, "If you love me, don't leave me," and  
19                 down at the bottom, "So, we feel if we ask you  
20                 to keep our countryside at its best, many of  
21                 you will try. When you buy Coca-Cola in  
22                 returnable bottles, please return them. It is  
23                 your best value; but if you prefer Coke in cans  
24                 or one-way bottles, put the empties where they  
25                 belong."

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1 This goes back to 1968 and 1969,  
2 a quarter of a million dollar program.

3 Another ad, this is "The bottle for  
4 aid of ecology," and down at the bottom, again,  
5 we say, "So buy Coca-Cola in returnable  
6 bottles. It is best for the environment and it  
7 is your best value." What were the results?

8 Gentlemen, ours was a voice in the  
9 wilderness and there was minimal response at  
10 most. Why? Because of the countervailing  
11 social and economic pressures working on  
12 retailers, on consumers, on industry, on  
13 government and indeed on the very life style of  
14 our cities.

15 In the meantime, our share of  
16 returnable bottle business continued to decrease  
17 and by 1970 it represented less than forty per  
18 cent of our total business. Of equal  
19 importance and of more concern was the fact  
20 that our trippage on the returnable bottle had  
21 fallen from a one time high in excesses of  
22 twenty-five trips to less than ten trips in  
23 1970.

24 So, on December 28, 1970, we increased  
25 the deposit on our returnable bottles from two

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1 cents to five cents. We did this because we  
2 felt a state of awareness and concern may help  
3 save, or at least extend, the life of the  
4 returnable bottle and that the higher deposit  
5 value may encourage more consumers to return  
6 it rather than throw it away. This deposit  
7 increase announcement was also supported by a  
8 substantial newspaper campaign.

9 I just brought samples of something  
10 that was used in 1970 and, again, this was not  
11 a Mickey Mouse campaign. This was well over,  
12 in excess of, one hundred thousand dollars,  
13 "Now, five cent deposit on all returnable  
14 bottles." So, in a sense, we spent about a  
15 half a million dollars in 1968-'69 and '70  
16 promoting returnable bottles and creating an  
17 awareness to the five cent deposit.

18 What were the results? There were  
19 preliminary and tentative signs that this  
20 strategy might be working. There was a slight  
21 increase in the return rate for the first few  
22 months. Then the trend reversed itself and  
23 has fallen off to the rate of less than five  
24 trips per bottle. The return rate has fallen  
25 to the point that our returnable bottle is

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1 practically a one-way bottle.

2 And gentlemen, our company is one of  
3 the few in the area that really has any share  
4 of returnable business, and it is down to  
5 six per cent of our total volume. In food  
6 stores, it is less than one per cent.

7 Gentlemen, these facts are tremendously  
8 significant because no soft drink bottler in  
9 this country has spent more time, money and  
10 effort than we have to sustain the life of the  
11 returnable bottle.

12 In view of these facts, we believe  
13 that the only thing that legislation requiring  
14 a mandatory deposit would do is give a litterbug  
15 the right to pay for the privilege of littering  
16 and harshly discriminate upon one industry  
17 whose products are a very small percentage of  
18 litter and solid waste problems to begin with.

19 Additionally, the legislation  
20 would strike a devastating blow at the very  
21 heart of the industries which have and are  
22 expending tremendous amounts of money to reach  
23 the ultimate solution to the solid waste  
24 management problem. This solution, we believe,  
25 is the systems approach to the collection,

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1 disposal, separation and recycling of solid  
2 waste materials. These systems are now  
3 available and we need courageous and far-  
4 sighted support of local, county and state  
5 legislators to get these plants activated.

6 More importantly by far, is the  
7 economic impact such legislation would have  
8 on our industry, our company, our employees and  
9 most importantly our independent distributors  
10 living and working in Suffolk County.

11 We have about fifty of those  
12 distributors here today who are taking the day,  
13 have sacrificed a day's income to indicate their  
14 interest in this legislation and the impact it  
15 has on the tremendous investment that they,  
16 individually, have in their trucks and their  
17 routes in Suffolk County. [APPLAUSE]

18 Our company operates three can  
19 filling plants in the Metro New York area. It  
20 would be ill-advised to enact a law which would  
21 surely result in greatly reduced can volume,  
22 loss of jobs and even the possibility of one  
23 of the can plants being closed.

24 But lets get to the local scene. We  
25 operate two distribution centers in Suffolk

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1 County. One in West Hampton and a new  
2 modern facility in Hauppauge. Our commitment  
3 in terms of jobs and taxes is substantial.  
4 To return to the returnable system can only  
5 result in reduced volume, higher costs, more  
6 energy consumed and mass confusion at the  
7 retail level.

8 And all this, gentlemen, with  
9 absolutely no guarantee that litter would be  
10 reduced appreciably -- or if at all.

11 We must encourage litter control with  
12 continuous educational programs and tough  
13 anti-litter laws. We support the United  
14 Brewers Association's "Pitch-In" anti-litter  
15 program. We have demonstrated this support by  
16 devoting thirty per cent of our television and  
17 radio schedule in New York City to anti-litter  
18 "Pitch-In" spots. These were expensive, prime  
19 time spots being aired as a part of our  
20 sponsorship of the New York Knicks and Rangers.  
21 Additionally, we are presently carrying the  
22 "Pitch-In" banner on all of our trucks.

23 The Coca-Cola Bottling Company of  
24 New York, Inc. has not taken a back seat in  
25 facing up to its responsibility in environmental

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1 issues. Our extensive recycling program --  
2 incidentally, we have removed over two hundred  
3 million containers in the solid waste program  
4 to our recycling plants, one of which is  
5 located in Suffolk County and one in Nassau  
6 County, over two hundred million containers --  
7 now in its third year, our support of the  
8 Environmental Action Coalition and other  
9 educational programs has led us to the firm  
10 belief that legislation mandating a deposit on  
11 convenience packages is not the answer to the  
12 litter problem, nor will it reduce solid waste,  
13 nor will it conserve energy in our industry.  
14 Rather, we believe the battle of the "litter  
15 bug" can best be won by widespread involvement  
16 in educational programs including "Keep New  
17 York State Clean" and "Pitch-In". Litter  
18 control is not a "somebody's thing"; it is an  
19 "everybody's thing" and I pledge the support of  
20 our company to work hand-in-hand with those of  
21 you who conscientiously want to resolve the  
22 problem. This, of course, is one of the basic  
23 objectives of the Labor/Industry Committee for  
24 Resource Recovery. A committee of concerned  
25 men representing labor and industry, dedicated

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1 to the belief that the final solution to the  
2 litter and solid waste problem rests with the  
3 systems approach to the collection,  
4 separation, disposal and recycling of all solid  
5 waste material -- ultimately benefitting  
6 both the community and the consumers.

7 That's all, gentlemen. I will be  
8 glad to answer any questions, particularly  
9 about the history of the returnable bottles.  
10 We think that is the crux of the whole issue  
11 because all the assumptions that are made on  
12 what this law would do are based on the fact  
13 that the can and the bottle will be returned;  
14 and at the cost of about a million dollars, we  
15 have been taught the lesson that they are not  
16 being returned and they are not being returned  
17 now. Additionally, we have increased our  
18 deposit as of March 1st from five cents a  
19 bottle to ten cents a bottle. We don't have  
20 any track record on it yet, but we have a  
21 feeling we are going to go through the same  
22 exercise. We will have a little increase in  
23 return and, then, it will go right down.

24 MR. O'NEIL: Doctor Fischer?

25 DOCTOR FISCHER: Yes. I would just like to ask just

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1 a few questions on what you have said. Maybe,  
2 to begin with, I could get an answer to the  
3 question I directed to Bob Donovan before as  
4 to where your experience with the pool return  
5 rates was. Was it in New York City?

6 MR. PEARCE:

This very interesting analysis we  
7 have, we would be delighted to share with any  
8 member of the Committee. We have a complete  
9 breakdown by branch and by region and the  
10 region -- Long Island is a region -- we have  
11 Suffolk County separated. We have nothing more  
12 than ten per cent and as low as three per  
13 cent, and Suffolk County, I believe, is an  
14 average of about six per cent return rate. I  
15 mean six trips, not six per cent.

16 DOCTOR FISCHER:

Six trips, that would correspond to  
17 a much higher percentage?

18 MR. PEARCE:

Our average is four. Suffolk  
19 County is five, perhaps six per cent.

20 DOCTOR FISCHER:

When you ran the series of ads,  
21 I notice you ended each one, "Buy Coke in  
22 returnable bottles. It is best for ecology  
23 and best for its value."

24 In Oregon, the information that I  
25 have indicates that their return rate has

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1 substantially increased after their law went into  
2 effect. Now, since at the time you felt that  
3 it was best for the environment and it was the  
4 best value, what would lead you to change your  
5 mind about it; only the trippage?

6 MR. PEARCE: Trippage.

7 DOCTOR FISCHER: Now, in Oregon, is it true that,  
8 say, that the trippage has gone up since  
9 their law has gone into effect?

10 MR. PEARCE: I can't answer that. You said it  
11 has.

12 DOCTOR FISCHER: I am quoting from a study that  
13 recently came out from the Oregon State  
14 University, which analyzes trippage and says  
15 it increased, in the case of returnable  
16 bottles, to ninety-two per cent. I guess that  
17 would be ten or twelve trips?

18 MR. PEARCE: The only thing we could go on was  
19 the experience we have. I mean -- we were  
20 late getting into convenience packaging  
21 because we commanded a share in the market of  
22 returnable bottles that we wanted to hold onto.  
23 As a result, this little program represented  
24 here, when it was all over with the two cents  
25 and five cents returnable bottle deposit, just

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1 about a half a million dollars in a two-year  
2 program, and this is when people were still  
3 consuming a reasonable amount of returnable  
4 bottles, and the trend continued to fall, and  
5 we are down to a corporate average of four  
6 now, with six in some areas. Our returnable  
7 bottles are down to six per cent of our total  
8 corporate share. There are still outlets  
9 where you can buy returnable bottles. There  
10 are many of them, there are many of them in  
11 Suffolk County, but the folks are voting,  
12 though, in Suffolk County, about ninety per cent  
13 to ten to buy convenience packages and I think  
14 in considering any legislation, this certainly  
15 should be taken into consideration because  
16 you are putting a law on a tremendously high  
17 portion of the business without any guarantee  
18 that it will have any solution whatsoever on  
19 the litter problem.

20 DOCTOR FISCHER: What you are saying, as I understand  
21 it, that it is entirely a matter of trippage?  
22 If the trippage rates were up to what you  
23 would have hoped to experience in the original  
24 campaign, you would still hold to the notion  
25 that it was the best value?

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1 MR. PEARCE: Under a given set of volume and  
2 markezing conditions, I think, for Coca-Cola  
3 where we are still in a position to produce  
4 returnable bottles.

5 Mr. Donovan mentioned Seven-Up in  
6 New York before, companies that have converted  
7 completely to returnable systems. There is no  
8 way they can come back. In the first place,  
9 he has a twenty-one million dollar investment,  
10 as you may very well know, to get back into a  
11 returnable system. From an ecological stand-  
12 point, certainly; but not from a value.

13 DOCTOR FISCHER: But as far as you are concerned, it  
14 would be a concern as to what the trippage was?

15 MR. PEARCE: Trippage would be a most important  
16 factor and, right now, we have a lot of  
17 information that tells us that trippage will  
18 not be increased with a five or ten cent  
19 deposit because the society, including  
20 Philadelphia, New York and Boston, is a one-way  
21 society.

22 We operate a plant in Buffalo, New  
23 York, and there is pending legislation in  
24 Erie County. Our returnable business is  
25 seventy per cent over there and, yet, the

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1 trippage is only about eight. We would assume,  
2 where returnable bottles is a major portion of  
3 the business, that trippage should be better  
4 and the economics of the returnable bottle  
5 should be better.

6 DOCTOR FISCHER: In the case of your business, you had  
7 experienced a decline from about twenty-five  
8 to about ten?

9 MR. PEARCE: Twenty-five down to less than five.

10 DOCTOR FISCHER: You say it is less than five?

11 MR. PEARCE: I got my percentage of returnable  
12 business, which is six, confused with the  
13 trippage. Our total percentage of returnable  
14 bottles is six per cent and our trippage total,  
15 corporatewise, is less than five. It is  
16 probably about five to six here in Suffolk.

17 DOCTOR FISCHER: I am talking about when you went  
18 into your advertising campaign.

19 MR. PEARCE: It was up over twenty.

20 DOCTOR FISCHER: It was a trippage of twenty when  
21 you began to try to push it up?

22 MR. PEARCE: Right. It slipped it to ten.

23 DOCTOR FISCHER: So, after it slipped from twenty to  
24 ten is when you began to feel concerned about  
25 it?

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1 I am trying to get a feeling for your  
2 market, what kind of trippage --

3 MR. PEARCE: [INTERPOSING] In '68 and '69, it  
4 was over twenty. In December, December 20th of  
5 1970, it was down to ten. That's when we raised  
6 the deposit from five to ten cents.

7 DOCTOR FISCHER: So, presumably, a trippage of the  
8 order of ten or so would be the kind of trippage  
9 you would need?

10 MR. PEARCE: It would be very difficult to  
11 determine what trippage would be necessary to  
12 turn a profit in our organization because there  
13 are all kinds of efficiency factors that are  
14 going to be affected, including what these boys  
15 take out on the truck. Their total volume is  
16 going to be reduced, their time to do it is  
17 going to be reduced almost in half. So, what  
18 it means is that it may take, maybe not twice  
19 as many men, but some additional manpower to  
20 get the job done at greatly additional cost.

21 DOCTOR FISCHER: Weren't those all requirements of  
22 the returnable system then, too, the return  
23 trip, the extra labor for the return trip and  
24 so forth?

25 MR. PEARCE: Yes, those were the requirements.

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1                   There was a great deal of labor required in  
2                   the early days, but the business has grown  
3                   and innovations in business have grown; our  
4                   employment figures are considerably higher  
5                   than they were in 1969.

6   DOCTOR FISCHER:           But how will that change the  
7                   economics on a per bottle basis?

8   MR. PEARCE:               Well, up until the great increases in  
9                   labor and materials in the last few years, we  
10                  were producing, on an ounce for an ounce, penny  
11                  for penny basis, almost equal to what we were  
12                  about twenty-five years ago in costs with the  
13                  returnable bottles. It was just about even.  
14                  One-way bottles, it was a little more.

15   DOCTOR FISCHER:           My information is that as a result  
16                   of this study, which is the latest one I know  
17                   of, that is in March, the increase in return  
18                   rate in Oregon has been up to ninety-two per  
19                   cent for returnable bottles, for returnable  
20                   soda bottles and higher for returnable beer  
21                   bottles. So, that would be some indication to  
22                   me that the trippage is included.

23   MR. PEARCE:               Maybe, in this dialogue we are having  
24                   we are kidding each other. How can we compare  
25                   Oregon with New York? How can we compare the

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1 two? I have never known two states that were  
2 more dissimilar in demographics, consumer  
3 buying patterns, everything. Their trippage  
4 was up when they started. Ours is down. We  
5 are practically out of returnable bottles. The  
6 industry has moved out of the pattern of a  
7 returnable system. To add, the flip top pack,  
8 is going to require a tremendous amount of  
9 investment, capital, and many folks are going  
10 to have to sacrifice an awful lot.

11 DOCTOR FISCHER: My impression is that their trippage,  
12 judging from the figures that I have here, on  
13 an eight per cent return rate, would be a  
14 trippage of around five, originally, when the  
15 law went into effect.

16 MR. PEARCE: I don't understand your point. What-  
17 ever you are saying about Oregon, I will agree  
18 with you.

19 FLOOR: But you have to ask yourself a  
20 question. I am a distributor. I go out with  
21 five hundred cases now. I am only going to go  
22 out with two hundred. So, to make up that  
23 money, I am going to have to charge more. By  
24 going out with five hundred, I am barely able  
25 to make a living now and we are going to be

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1 going out with less.

2 MR. PEARCE: I have given you a detailed outline  
3 of our trippage. I cannot vouch for what the  
4 trippage is in Oregon, nor do I know how it  
5 was ever established, nor do I know what it  
6 is returning to.

7 MR. FELDMAN: Coca-Cola pays for the tin cans or  
8 bottles that come back to the recycling plants?

9 MR. PEARCE: Yes.

10 MR. FELDMAN: You say two hundred million have been  
11 returned?

12 MR. PEARCE: We have been reducing all of our  
13 containers. Right now, it will be over two  
14 hundred million containers.

15 MR. FELDMAN: In essence, that's what we are  
16 trying to do. We are trying to pay the public  
17 for returning them. If Coca-Cola would put a  
18 voluntary deposit on cans, do you think that  
19 would make people return the cans?

20 MR. PEARCE: You are forgetting about one very,  
21 very important link in the entire thing, and  
22 that is the middle man, the retailer, is in a  
23 market that is almost one hundred per cent one  
24 way. It is just going to be faced with a  
25 horrendous situation, and I think we have slides

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1 of outlets in Oregon that are just unbelievable.  
2 They have slides of volume plants and beer  
3 distributors that have cases of dirty cans and  
4 bottles piled up all over the place; but more  
5 important, the retail outlets and particularly  
6 the supermarkets have trended toward modern  
7 facilities nationally, and they are not  
8 equipped, they are out of the two-way business.  
9 They would have to build storage space at an  
10 additional cost to them, and one very bright  
11 man named Dick Rosenberg, who operates twelve  
12 Daitch-Shopwell Supermarkets in New York, he  
13 figures it will cost him five per cent a case  
14 to handle returnable bottles. Projecting  
15 that on all his cases, and supermarket  
16 operators operate on a net of about one per  
17 cent, his total bottle handling is going to  
18 exceed his net profit. Now, that's a fact.

19 I think that we have had a lot --  
20 Mr. Klein was very emphatic about economic  
21 impact studies and facts, and we pledge our  
22 support, Coca-Cola Company of New York, at a  
23 meeting with Don Adams, prepared a data report  
24 for Suffolk County. I think that's a two-way  
25 street. I think those who are proponents

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1 of the bill should have facts, as well. I  
2 have been to fifteen hearings and there is a  
3 lot of innuendoes and misinformation coming out  
4 of Oregon and Vermont, and even you, Doctor  
5 Fischer, said in your opening statement, which  
6 was very well read and very well brought out,  
7 the point that there were opportunities and  
8 problems, that the Oregon bill seems to be  
9 working and the Vermont bill is not working;  
10 and I tell you these gentlemen sit as judges  
11 and if that bill isn't working beyond a  
12 reasonable doubt, it should never be considered  
13 for this area. [APPLAUSE]

14 FLOOR:

I have no question. I would like to  
15 add something to this recycling.

16 Mr. Pearce said we took in over two  
17 hundred million containers, and I feel as long  
18 as we took them back and if you gentlemen  
19 would go to some of these recycling centers,  
20 you will see all kinds of jars, baby food jars  
21 and you name it, we recycle. If we have to  
22 recycle them, then put them in this bill, too.  
23 We are recycling everything, catsup bottles,  
24 you name it; and if your Committee would go  
25 once to our recycling depots, you will see we

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1 don't put nothing on the side. The person  
2 brings it there, we take it whether it is  
3 Coca-Cola, Pepsi-Cola, catsup. You name it,  
4 we take it. If you want to put us in this  
5 Act, you put these other food companies into  
6 it, too; let them pay because you want to put  
7 two hundred seventy distributors out of business,  
8 and I don't think it is fair. If you want to  
9 put a bill in, put it in -- what's good for one  
10 ought to be good for everybody else. [APPLAUSE]

11 MR. PEARCE: Gentlemen, I can only add to that  
12 on the recycling, and the fact that over  
13 fifty per cent of the glass that we take in  
14 represents someone else's product, baby food,  
15 catsup and out of pocket to our company,  
16 demonstrating a public responsibility in this  
17 solid waste and litter issue. It is a little  
18 over a million dollars in labor alone in our  
19 recycling plants in the last three years.

20 DOCTOR FISCHER: Mr. Pearce, I wonder if I can ask  
21 you on that figure, two hundred million  
22 containers, over what period and over what  
23 area are you referring to?

24 MR. PEARCE: I am referring to a three year period.  
25 We made the announcement on February 20th.

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1 We began the recycling program on March 20,  
2 1970. We are talking about fifteen plants at  
3 the beginning, five located on Long Island, one  
4 in Buffalo, six -- and the rest in New Jersey.

5 DOCTOR FISCHER: About how many people would you say  
6 in this area?

7 MR. PEARCE: Over twenty million.

8 DOCTOR FISCHER: One of the things that concerns us  
9 is the efficiency of this sort of recovery.  
10 We have a population of about one million.  
11 Out of twenty in one year, we consume more  
12 than the two hundred million containers. So,  
13 although I think it is very fine of the  
14 industry to be demonstrating their concern by  
15 doing this, it would seem to me that it is  
16 still a very small part of the amount of  
17 containers that are being generated.

18 MR. PEARCE: Well, I certainly would agree with  
19 that, but what we did was to take a leadership  
20 role in attempting to do something about a  
21 problem in which we were involved. Now, we did  
22 it and some followed and some didn't. Now, we  
23 didn't have to do it. I think we made a  
24 contribution to the problem. I think we  
25 created quite a lot of interest in recycling.

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1 Perhaps, you recall some of the newspaper  
2 ads advertising our program, and we created a  
3 tremendous amount of interest in the Metropoli-  
4 tan area in recycling. The only thing that  
5 does upset us occasionally -- I know you are  
6 attempting to be constructive -- is when we  
7 are trying to do a hell of a job and spending  
8 an awful lot of money doing it, and being  
9 criticized for it.

10 DOCTOR FISCHER: I just want to point out, it is  
11 approximately one per cent of the amount.

12 MR. PEARCE: Well, there are communities that are  
13 working effective recycling programs, and  
14 there are a lot of youth involved in it, and  
15 it creates an awareness of preserving our  
16 natural resources and it, also, contributes  
17 greatly to the litter program. I know of no  
18 way to get the youth involved better than to  
19 get into a recycling program. These folks  
20 have to be taught from the time they are  
21 infants to control their habits, and we happen  
22 to live in a society where habits have been  
23 uncontrolled for so long that nobody gives a  
24 damn about it.

25 MR. CAPUTO: In your presentation, you sort of

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1 indicated that the trucks that would be  
2 necessary because of the fact of going to a  
3 one hundred per cent returnable situation,  
4 we would need approximately a fifty per cent  
5 increase in the fleet of the trucks to the  
6 vacancy factor that has to be left on the  
7 truck to fill with bottles at a particular  
8 stop -- I don't agree with the fact that there  
9 should be a lot of vacancy on a truck because,  
10 theoretically, if you pick up fifteen empty  
11 cases from a retail outlet, he is going to  
12 order at least fifteen. [SOUNDS OF  
13 DISAGREEMENT FROM THE AUDIENCE.]

14 FLOOR: You have never been in the business.

15 MR. CAPUTO: That's right.

16 FLOOR: Then, you shouldn't talk.

17 MR. CAPUTO: One thing I want to make clear, we  
18 are very polite. We listen to everything  
19 you have to say and you listen to us, and then  
20 you will have an opportunity to respond to  
21 everything we say.

22 I happened to work on the Manhattan  
23 Special at one time. It doesn't matter  
24 whether I was or not. Mr. Pearce is here, and  
25 I want to get a clarification as to how much

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1 space is needed on a truck if you are going to  
2 go to a one hundred per cent returnable  
3 situation. If he is able to do it now, fine.

4 MR. PEARCE: I don't think I am as qualified to  
5 answer that question as many of these men in  
6 the room who are shuffling that load every  
7 day with returnables and non-returnables.

8 FLOOR: I, unfortunately, do help to run a  
9 warehouse, too, and the truck we have now, if  
10 we put on our bottle products, like, for  
11 deposit, the most you will be able to put on  
12 the truck will be between two hundred fifty  
13 and two hundred seventy. This, right now, the  
14 same trucks with your bottles and cans, is  
15 about six hundred fifty, six hundred. It  
16 varies. Now, when Mr. Pearce says fifty  
17 trucks, I disagree with him.

18 MR. CAPUTO: Fifty per cent.

19 FLOOR: Fifty per cent -- I disagree with  
20 him. Number one, I know you gentlemen here --  
21 and we thank God for you. You people was  
22 crying about the energy crisis. You were  
23 justly worried if your people living in  
24 Suffolk County could have enough gas to go  
25 visit their mothers, fathers -- good; but

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1 what are we going to do now? We have trailers  
2 that bring, from our manufacturing plants,  
3 that hold fifteen hundred and sixty pieces of  
4 stuff. These trailers cannot hold more than  
5 six hundred twenty-four cases of glass, which  
6 means we have to put over two times more  
7 trailers on the street, and there goes your  
8 gas. There goes your fumes and there goes  
9 everything, and this is the point.

10 This man justly said he took  
11 detergents out of these waters. God bless  
12 him. What did he do with the containers it  
13 came in? What is he going to do now that the  
14 average bottle that goes through a machine,  
15 the deposit bottle, through the Board of  
16 Health standards, takes approximately twenty-  
17 four minutes between washing and soaking in  
18 order for that bottle to be good enough for  
19 your people, my children, to put it to their  
20 lips and say I am getting a clean drink. Where  
21 will all this dirt go to? Where will all this  
22 cost go to?

23 The job you did cleaning your waters,  
24 you are going to put it right back into it,  
25 and this man talking about the fishes, I assure

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1 you, fishes don't like these chemicals. I  
2 assure you you will see today that this  
3 Coca-Cola Company, last month, put out a  
4 deal to make people buy deposits. We issued  
5 every beer distributor, every small store  
6 that bought our family size, what he says to  
7 him, "Here is fifteen cases free on a hundred.  
8 Push it. We want to get this in there," and  
9 what happened to it? My friends, when you pass  
10 a beer distributor, go in his back room, and  
11 the way we put it there, it is a dust  
12 collector; and I say this in closing, if you  
13 want to do something great, we are all with you.  
14 Don't tax us for the litterbug you get. Tax  
15 him, not fifty dollars; one hundred dollars.  
16 Enforce the law.

17 All these other companies are riding  
18 on other people's backs. They are so concerned,  
19 let them open up Saturdays like Coca-Cola does  
20 and recycle. Let everybody get in the line  
21 and observe this; and last but not least, I  
22 love to go for a ride and if I have to go back  
23 to my garage twice and fill up my tank, I am  
24 not going to have that gas and we are not  
25 going to have enough fuel because, Mister, what

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1 it takes to run a bottle washer, forget about  
2 it. You can't -- Long Island Electric, Edison,  
3 is screaming for oil. Give it to us now to  
4 wash bottles. That's all.

5 We are out to help, believe me; and  
6 we will tell you this, you are going to hurt  
7 not the big man. He is going to be able to  
8 take it more than the little guys you see in  
9 here, guys that own homes in your territory,  
10 guys that are paying taxes and if Suffolk  
11 County ever thinks the day is going to come  
12 where you are going to have a good county with  
13 just people in it, you have got a big mistake,  
14 fellow. You have got to have industry, and  
15 don't chase it and don't hurt it. [APPLAUSE]

16 FLOOR: Are you accepting further speeches  
17 from the audience?

18 MR. PEARCE: I would suggest, if I may close off  
19 my remarks and, perhaps, the Coca-Cola  
20 presentation with a statement that we try to  
21 provide factual information concerning the  
22 history of returnable bottles. If there is  
23 some doubt about the credibility of that  
24 information, we will invite everyone to visit  
25 with our Controller and go through all the

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1 records.

2 Secondly, we do not have an economic  
3 impact statement completed, and we will work,  
4 and we pledge that, concerning our operations  
5 in Suffolk County.

6 MR. GRANT: Will you be willing to meet with Mr.  
7 Adams and, maybe, some other people here?

8 MR. PEARCE: Absolutely. Thank you very much,  
9 gentlemen.

10 MR. O'NEIL: Thank you, Mr. Pearce.

11 MR. GRANT: We will break for lunch.

12 [WHEREUPON THIS HEARING WAS RECESSED FOR  
13 LUNCH AT 12:45 P.M. AND RECONVENED AT  
14 2:15 P.M.]

15

16

17

18

19 MR. O'NEIL: Ladies and gentlemen, at this time  
20 we will convene the afternoon session. Mr.  
21 Christopher Gilson?

22 MR. GILSON: Mr. Chairman, members, ladies and  
23 gentlemen, my name is Christopher Gilson. For  
24 the past nineteen years, I have been an  
25 environmentalist by profession. Formerly in

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1 New York City and Connecticut, now as a  
2 national litter control consultant; also, as  
3 editor of the monthly Civic Improvement Bulletin  
4 and of the Quarterly Litter Control Letter of  
5 the National Council of State Garden Clubs.

6 Two things are obvious in Suffolk  
7 County. First, much of the litter is created  
8 by people from outside. Thousands of visitors  
9 taking advantage of recreational pleasures  
10 that abound here. As a former summertime  
11 resident, I can attest to the unmatched  
12 quality of what this County offers.

13 Second, although a great deal of  
14 litter comes from transients, residents also  
15 account for a significant portion of it. This  
16 is clear in looking around communities of the  
17 County.

18 A systematic approach to this  
19 twofold problem has come from a national  
20 research project launched more than a year  
21 ago under the direction of a group of  
22 behavioral scientists at the Human Resources  
23 Institute in Morristown, New Jersey. It is  
24 called the Action Research Model.

25 The ARM approach is aimed at the

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1 roots of the problem. The attitudes and  
2 practices that result in the creation of  
3 litter. Thus, it is just the opposite of  
4 the Oregon method.

5 Passage of the Oregon law was based  
6 on two premises; one, that the fact of having  
7 to place deposits on beverage containers would  
8 lead people automatically to stop littering  
9 with such containers. Two, that this would  
10 cause a chain reaction. Simultaneously, people  
11 also would stop littering with the some one  
12 hundred forty-eight other items that comprise  
13 more than four-fifths of total litter.

14 How sound were these premises?  
15 So much confusion permeates the conflicting  
16 reports coming out of Oregon, that it is  
17 difficult to find out what actually has  
18 happened. But here are some specifics on  
19 which we can put our fingers:

20 During the three-month period of  
21 November, 1973 through January, 1974, on  
22 fifty-two miles of Oregon highways, three  
23 thousand three hundred sixty-one beverage  
24 containers were counted by the Highway  
25 Department. The only conclusion to be drawn

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1 from this is that the people are still  
2 littering with containers on which they've  
3 placed deposits.

4 Now, what about chain reaction?

5 In preparation for a hearing in  
6 January of this year, the Assembly Committee  
7 on Natural Resources and Conservation in  
8 California commissioned a detailed study.  
9 Among the conclusions in this study were these,  
10 and I quote:

11 "The enactment of container deposit  
12 legislation in Oregon has resulted in a  
13 21.7 per cent decline in total litter, based  
14 on six comparable months before and after.

15 "The container deposit legislation  
16 in California would be expected to achieve  
17 reduction in total litter in the range of  
18 twenty per cent at the probable price of a  
19 substantial economic loss."

20 Let's think for a second about what  
21 a twenty per cent reduction in litter means.  
22 It means precisely that eight out of ten  
23 items of litter are still there. This hardly  
24 can be regarded as making significant in-  
25 roads against the problem.

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1                   But that isn't even the whole story  
2                   in Oregon. We find that after the container  
3                   deposit law went into effect, Oregon  
4                   substantially increased its expenditures for  
5                   clean-up operations. This could be expected  
6                   to bring about a reduction in litter. So,  
7                   there's no real evidence that the law can take  
8                   credit for a major part of whatever gain has  
9                   been made; and if greater expenditures for  
10                  constant clean-up have to continue coming to  
11                  the rescue of a law that isn't accomplishing  
12                  what it was intended to do, Oregon is in for  
13                  some rough financial sledding. It will come  
14                  as a jolt to find out how many additional  
15                  dollars will be needed for every per cent  
16                  of litter reduction that can be scored through  
17                  this route.

18                  In getting to the heart of the matter,  
19                  changing attitudes and practices that produce  
20                  litter, the ARM approach begins with a logical,  
21                  sound premise. It is that these changes best  
22                  can be brought about by reaching people in  
23                  communities. For it is there that the  
24                  facilities and resources exist to do so.

25                  This systematic approach calls for

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1 four steps in communities:

2 Step one, adopting up-to-date  
3 ordinances that clearly establish rules to  
4 go by in stemming the flow of litter from its  
5 seven sources, the spread of litter from its  
6 point or origin, and the lodging of litter in  
7 traps. Most litter control efforts have been  
8 directed at only two sources, pedestrians and  
9 motorists. Yet, surveys have shown that five  
10 other sources, in the aggregate, account for  
11 more of the litter total. These are  
12 household refuse putouts, commercial-  
13 institutional refuse putouts, loading and  
14 unloading platforms, uncovered trucks and  
15 construction projects.

16 Step two, using modern technology  
17 to facilitate proper disposal that equates  
18 to containerization by and at the seven  
19 sources, including more efficient refuse  
20 collection methods.

21 Step three, carrying on consistent  
22 public education to enlist voluntary  
23 cooperation from citizens.

24 Step four, streamlining enforcement  
25 to utilize existing manpower more effectively

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1 in reaching those who fail to respond  
2 voluntarily.

3 The ARM approach embodies a  
4 combination of behavioral science and tested  
5 litter control techniques in taking these four  
6 steps in communities. Now being applied in  
7 three demonstration cities, it will be avail-  
8 able nationwide in a short time.

9 As consultant to the project, my  
10 confident prediction is that, initially, it  
11 will bring about a reduction in litter in the  
12 range of sixty per cent, and that this not only  
13 will be sustained, but consistently extended.

14 There are extremely important roles  
15 state and county governments can play in  
16 supplementing and strengthening what committees  
17 do. Requiring owners of motor vehicles to  
18 carry litter containers in them, for example.  
19 Studies show that four out of five of those  
20 who do, tend to use them. Requiring all road-  
21 side establishments catering to the public  
22 to provide, service and maintain adequate  
23 litter receptacles as another example.  
24 Requiring that all trucks transporting loose  
25 materials be covered suitably.

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1                   Surveys have found that uncovered  
2                   trucks are responsible for between fifteen and  
3                   twenty per cent of the litter along roads they  
4                   normally travel; but all this adds up to,  
5                   through this ARM project, that the ways are at  
6                   hand now, through this systematic approach,  
7                   not through beverage container legislation,  
8                   to win what has been a long, uphill, frustrating  
9                   battle against litter. To restore and preserve  
10                  the dignity and the beauty of the land in this  
11                  magnificent county.

12                   Thank you very much, gentlemen.

13                   [APPLAUSE]

14   MR. GRANT:                Mr. Gilson, you alluded to the  
15                               State of California. Have you been a resident  
16                               of the State of California?

17   MR. GILSON:               Yes, I have.

18   MR. GRANT:                Maybe you can apprise the Commissioner  
19                               as to the sorting of waste and garbage at  
20                               the household level in California. Are you  
21                               familiar with that?

22   MR. GILSON:                Only to a degree, sir. I haven't  
23                               lived in California for some time. I could  
24                               not answer specifically, no.

25   MR. GRANT:                They have a system there that is

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1 mandatory for the homeowner to separate  
2 garbage in the sense that metal and glass and  
3 so on, and trash -- in other words, it is put  
4 in one container for pick up on a certain day  
5 and, then, waste materials on another day.  
6 I think it is very effective in the California  
7 area.

8 MR. GILSON: We are beginning to try that in the  
9 State of Florida at the present time, and we  
10 do feel it will be very effective there;  
11 also, particularly in the matter of papers.  
12 There seems to be a great public willingness  
13 to separate paper and put it out on a day as  
14 a separate collection from other material.

15 MR. GRANT: I think it is a case of educating  
16 the homeowner as to what can be recycled and  
17 what can be deposited in a certain disposable  
18 unit.

19 MR. GILSON: In Greenwich, Connecticut, where I  
20 lived formerly, we have found, through doing  
21 just what you are suggesting, that we had an  
22 initial reaction from twelve to fifteen per  
23 cent of the homeowners who voluntarily  
24 separated their garbage and brought some to  
25 centers for recycling, and used the rest for

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1 home collection.

2 DOCTOR FISCHER: I wonder if you, when you discuss  
3 litter in terms of percentages and so forth,  
4 do you use a piece count or a volume basis?  
5 How do you, in your figures, how do you  
6 determine --

7 MR. GILSON: [INTERPOSING] We use an item count,  
8 but the smallest item that is counted is  
9 equal to the size of a standard cigarette pack-  
10 age, nothing smaller than that.

11 DOCTOR FISCHER: Do you consider, as a litter expert,  
12 any one form of litter might be more or less  
13 objectionable than any other form?

14 MR. GILSON: There are about ninety-six items  
15 out of one hundred fifty items which normally  
16 comprise litter, which are about equally as  
17 visible from the standpoint of objectionable  
18 on a visibility count. As far as deterioration  
19 is concerned, we found many areas with papers  
20 in them, and paper that has been there six  
21 and seven years. So, it stays around a long  
22 time just as does metal and glass.

23 DOCTOR FISCHER: I, also, noticed that you said in  
24 Oregon, one-fifth of the litter would be  
25 beverage containers. That would be a piece

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1 count, also?

2 MR. GILSON: I don't believe I said one-fifth  
3 of the litter would be beverage containers.  
4 I said there had been a reduction of one-fifth  
5 in total litter.

6 DOCTOR FISCHER: Well, let me see. Perhaps, I  
7 misstated it.

8 MR. GILSON: In total litter, there presumably  
9 has been a reduction of 21.7 per cent.

10 DOCTOR FISCHER: You said that material other than  
11 containers comprises four-fifths, more than  
12 four-fifths of total litter, which left me with  
13 the conclusion that containers would be the  
14 other one-fifth.

15 MR. GILSON: I said more than. Now, I don't  
16 know what the container average was in Oregon.  
17 For example, in a nationwide study we did in  
18 one hundred five cities, we found all containers,  
19 including bottles and everything, averaged  
20 eighteen per cent.

21 DOCTOR FISCHER: So, it is less than one-fifth?

22 MR. GILSON: Yes, sir.

23 DOCTOR FISCHER: You said the total reduction of  
24 litter in Oregon was in the neighborhood of  
25 one-fifth?

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1 MR. GILSON: Yes, sir.

2 DOCTOR FISCHER: Would you conclude that that

3 indicates either they have reduced all --  
4 virtually eliminated containers from their  
5 litter or eliminated other forms of litter?

6 MR. GILSON: It is not a conclusion that they  
7 have eliminated beverage container litter  
8 because I indicated how many they found on a  
9 highway in a recent three-month period. What  
10 they have done is reduce total litter in the  
11 neighborhood of twenty per cent.

12 DOCTOR FISCHER: That's about equivalent to the  
13 portion that you say beverage containers  
14 comprise?

15 MR. GILSON: Yes, but they do not equate to each  
16 other, sir.

17 DOCTOR FISCHER: So, not all of it was beverage  
18 container litter?

19 MR. GILSON: No, because there are still beverage  
20 containers littering the highways in Oregon.

21 I would like to add, we don't know  
22 at this point how much of a reduction can be  
23 attributed to the law and how much can be  
24 attributed to the constant clean-up operation  
25 which began after the law went into effect.

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1 Thank you very much.

2 MR. O'NEIL: Thank you, Mr. Gilson. Betty-Sue  
3 Casta.

4 MRS. CASTA: My name is Betty-Sue Casta and I am  
5 the founder and past president of the  
6 Ronkonkoma Improvement Organization. Just to  
7 familiarize you with our group, for the past  
8 five years, our organization has worked  
9 diligently in various ways to improve our  
10 community, mainly working through our schools  
11 to educate our children regarding pride in  
12 their community.

13 During the past few years, the world  
14 has become increasingly aware of ecology and  
15 its many problems and challenges. Indeed,  
16 almost everyone, children included, knows that  
17 we must be concerned about our environment in  
18 order for future generations to be able to  
19 survive on Mother Earth. Millions of dollars  
20 have been spent on education, anti-pollution  
21 devices, et cetera; yet in the midst of all  
22 this, it is rather shocking to see us going  
23 off in the opposite direction.

24 For example, sometime ago, the soft  
25 drink companies saw fit to encase their

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1 bottles in a thin layer of styrofoam. We're  
2 not sure what benefit this is to the consumer.  
3 Perhaps, it is a form of insulation. It seems  
4 to us, however, that this is adding insult to  
5 injury. The non-returnable bottle was a  
6 problem. Now, we must pay for and ecology must  
7 suffer the added burden of an unnecessary layer  
8 of styrofoam.

9 We deeply resent the fact that we are  
10 forced to buy one-way bottles. Through heavy  
11 advertising campaigns a few years ago, the  
12 one-way or non-returnable bottle was shoved  
13 down our throats and the supermarket manager's  
14 throats until now it is impossible to buy soft  
15 drinks packaged in anything else. We would like  
16 to save the twenty to twenty-five per cent  
17 added onto the cost of each bottle of soda  
18 just to make it "one-way." We would like to,  
19 but we can't because you just cannot find  
20 returnable bottles in the supermarkets in  
21 Suffolk County.

22 To answer the President of the Long  
23 Island Brewers Association, we can find them  
24 if we will put on a couple of additional  
25 miles onto our cars and drive down to a local

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1 beverage barn, but for a person who doesn't  
2 consume too much in the way of soft drinks,  
3 it really isn't worth our while.

4 We would like to see the returnable  
5 bottles put back into the supermarkets so we  
6 can have a choice.

7 We, as housewives, have examined  
8 the situation carefully before coming to our  
9 conclusions. We ask you to understand that it  
10 is us, the housewives of Suffolk County, who  
11 will be saddled with the additional work of  
12 returning the bottles to the store and finding  
13 a spot in our homes to store them. However, we  
14 feel compelled to support this proposed  
15 legislation for the cause of environment and  
16 the good of our community knowing that each  
17 bottle will be reused some fifty times before  
18 it will become a part of some solid waste.

19 I have heard so many different  
20 statistics on that that I am thoroughly  
21 confused. I got those statistics from a Mr.  
22 Peter T. Chokola, President of the Chokola  
23 Bottling Company, presented to the sub-  
24 committee on the environment. That's my  
25 source of information. He says a bottle can

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1 be used fifty times, and I won't stand here  
2 and say that's true. That's just the  
3 information I had. I guess it is somewhere  
4 in between the two figures.

5 Some people feel this proposed law  
6 will have no effect on the litter or waste  
7 problem. If a bottle is worth five or ten  
8 cents, most of us won't discard it in an empty  
9 lot. For those who choose to do so, the  
10 neighborhood children would most likely cash in  
11 on our extravagance. We would like to spend  
12 our money on beautification problems rather  
13 than anti-litter campaigns.

14 Have you ever traveled out of New  
15 York State? Inevitably, as you pass through  
16 each state, something seems to stand out --  
17 everything is so clean. New York State, Long  
18 Island in particular, is one of the filthiest  
19 areas of our country. We are not just talking  
20 about empty lots on dead-end streets either.  
21 The minute your wheels hit the good old Long  
22 Island Expressway, you know you're home as you  
23 are greeted by the largest collection of cans  
24 and bottles to be found anywhere. If this  
25 Act were passed, we can assure you the bulk of

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1 Suffolk's litter, which is bottles and cans,  
2 would disappear.

3 Our American society has seemingly  
4 gone off the deep end. Recently, during a  
5 hospital stay, I partook of twenty-three  
6 hospital meals. I was shocked to find that  
7 everything except for the tray, itself, was  
8 completely disposable. Salt, pepper, sugar  
9 came in paper packages while other condiments  
10 were packaged in plastic. Plastic knives,  
11 forks and spoons were used and except for a few  
12 other items, everything else was styrofoam.  
13 Multiply this by the thousands, perhaps millions  
14 of meals served in schools, hospitals and  
15 businesses each day, and you end up with an  
16 ecological nightmare.

17 What does all this have to do with  
18 the proposed Beverage Container Act? Well, we  
19 feel that unless we stop the inertia of this  
20 throw-away system, we will soon become a throw-  
21 away society. The beverage industry argues  
22 that this Act will put people out of work, yet  
23 they fail to see that our throw-away mania has  
24 already put thousands of people out of work.  
25 Just one example, dishwashers and other

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1 cafeteria staff are no longer needed in these  
2 places just mentioned, while our mountains of  
3 solid waste grow bigger each day. We realize  
4 that this Act won't change everything overnight,  
5 but it is a giant step in the right direction.

6 I would like to thank you, Mr. O'Neil,  
7 for this opportunity to speak here today and  
8 close with these thoughts:

9 A few years ago, the Suffolk County  
10 Legislature bravely stood in the face of much  
11 opposition and passed the detergent ban. We  
12 feel that they would be willing to give this  
13 legislation their endorsement and support.  
14 Therefore, we urge you to vote for this proposed  
15 Suffolk County Beverage Container Act.

16 Thank you.

17 MR. O'NEIL: Thank you, Mrs. Casta.

18 MR. GRANT: Just a moment. You say you were in  
19 the hospital and they gave you all of this  
20 disposable knives, forks, plates and so on.  
21 Did you do anything about it, or did you bring  
22 that to the attention of your organization?

23 MRS. CASTA: I brought it to the attention of my  
24 organization. I really wanted to talk to the  
25 hospital about it because it was just so

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1 unbelievable what would go off just from me  
2 every day. It would have filled, I would say,  
3 every day it would have filled three of your  
4 office waste baskets. They even protected the  
5 tray from being washed by putting a paper thing  
6 on that.

7 MR. GRANT: What I am getting at, did your  
8 organization register a protest with the  
9 hospital?

10 MRS. CASTA: No, we didn't. I will tell you the  
11 truth, it is kind of mind boggling and  
12 frightening because you know there are thousands  
13 upon thousands of hospitals in this country,  
14 and I know our schools do the same thing. It  
15 kind of seems like it is just a needle in the  
16 haystack. It seems very, very hopeless and  
17 that's why I felt that this ban, or whatever,  
18 in a way, is starting to slow these wheels,  
19 this inertia and, possibly, to make people  
20 think twice before everything becomes throw-  
21 away.

22 MR. GRANT: I, also, think as an organization  
23 devoted to the environment and with your  
24 concern for litter and, yet, time and time  
25 again we hear from you people and you allude

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1 stores. If this legislation passes, it is  
2 going to mean instead of working ten hours a  
3 day on my truck, I will be out for twenty,  
4 doing twice as much work and earning approxi-  
5 mately the same amount as I do now. It means  
6 double-handling the stuff.

7 The stores do not have room for  
8 these empties. The cans, how can you throw  
9 them up on a truck? You get a case now, it is  
10 wrapped up, you can deliver it and handle it  
11 easy. You get loose cans, on a windy day, try  
12 to put them on a truck. Believe me, you are  
13 going to be running all over picking them up.

14 These trucks, now we have four to  
15 five hundred cases every day. That means two  
16 truckloads a day using twice as much gas and,  
17 naturally, that is what we are trying to avoid.  
18 Everything we are going for, you are just  
19 going to kill us.

20 If we start to work twenty hours,  
21 what are we going to have, four hours of sleep?  
22 How do you have a home life? You don't.

23 You say, "Put more manpower on."  
24 You can't put any more manpower on if you are  
25 not making more money. Your intake will be the

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1 same.

2 We do not get paid for picking up  
3 empties. We pick them up gratis. So, where  
4 are you? Beating your head against a wall?

5 MR. O'NEIL: Doctor Fischer, do you have any  
6 questions?

7 DOCTOR FISCHER: I am interested in this because I  
8 think the problems of the distributors may be  
9 one of the most important problems that we have  
10 to face with our own law. I would like to have  
11 a chance to talk with some people representing  
12 the distributors at some length. I am not  
13 really in the position to ask any intelligent  
14 questions at this time, but I am wondering --  
15 when you are in distributing, you have to make  
16 some sort of profit for your own. Are you  
17 totally constrained by the industry as to how  
18 much of a mark-up you can charge for  
19 distribution?

20 MR. ANDREWS: Yes, we are.

21 DOCTOR FISCHER: In other words, you are controlled --

22 MR. ANDREWS: [INTERPOSING] We are controlled by  
23 the parent company. They don't say, "This is  
24 all you can charge." I can go around and tack  
25 a dollar onto a case if I want, but pretty

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1                   soon, the consumer can't handle it.

2   DOCTOR FISCHER:                There should be some savings to the  
3                   manufacturers in the bottling industry because  
4                   they don't have to buy that many new containers.  
5                   They should have an opportunity to pass that  
6                   savings on. This is something I am particularly  
7                   concerned about because if that's possible,  
8                   that could ease your pinch.

9                                    In other words, if they make enough  
10                   savings to over compensate for your extra  
11                   costs, then, conceivably, they would allow you  
12                   to raise your mark-up and the net results  
13                   wouldn't necessarily wind up as a cost increase.  
14                   This, apparently, is what has happened in  
15                   Oregon.

16                                   So, one of the things that I would  
17                   enjoy speaking about to anyone who would like  
18                   to discuss it later, would be these sorts of  
19                   things. My feeling is that it can be overcome,  
20                   but the question is how can it be done? You  
21                   should be compensated for the extra work and  
22                   the analysis we have from Oregon indicates  
23                   that there is a savings to the parent company  
24                   that can be passed on.

25   MR. ANDREWS:                Right. Right now, we just moved

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1 into a new branch in Hauppauge. If we had  
2 deposit bottles in there right now, we  
3 couldn't fit our trucks. Our trucks, when  
4 they get loaded, they have to stay inside.  
5 From what I understand, we have added twenty  
6 thousand square foot onto the plant now, which  
7 would be used strictly for truck storage, and  
8 the part that we are in now will be used for  
9 keeping full cartons.

10 DOCTOR FISCHER: Whose plant is this?

11 MR. ANDREWS: Coca-Cola. We lease our trucks, and  
12 if we use these trucks twice as much, the  
13 leasing companies are not going to put up with  
14 it because we will be running the trucks into  
15 the ground. The trucks is going to have to be  
16 used for the empty returnable bottle to come  
17 back.

18 FLOOR: Our people gave you figures here.  
19 Well, I can give you figures.

20 My name is Emilio Pelligrino, and I  
21 am president of the Association. I have been  
22 with the Coca-Cola Bottling Company for forty  
23 years, and I have seen this thing grow.

24 Right now, if we put in throw-away  
25 bottles, we wouldn't even get one coming back.

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1 We have destroyed over a half a million shells  
2 in the past six months because our returnable  
3 bottles did not come back, and we have records  
4 to prove this here.

5 These people that say there is fifty  
6 per cent return -- in 1935 when I was in  
7 Coca-Cola, there was seven returns on a deposit  
8 bottle. Now, we have one to two returns. So,  
9 I don't know why you are preaching on this here  
10 thing, on deposit bottles.

11 Mr. Fischer, you are way out of line  
12 on it.

13 DOCTOR FISCHER: What area do you operate in?

14 MR. PELLIGRINO: I happen to have the Hauppauge area,  
15 and I bring back ninety per cent of my shells.  
16 I am talking about now.

17 I was, forty years ago, with this  
18 company when it was only an infant and we only  
19 started with seven trucks.

20 DOCTOR FISCHER: Where were you operating from?

21 MR. PELLIGRINO: In Brooklyn. I was too poor to  
22 come out here.

23 MR. GRANT: Are you finished with your comments?

24 MR. ANDREWS: No. As far as the deposit bottles  
25 go, I handle them. On my route, I do carry

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1 quite a few of the deposit bottles. They do  
2 not come back. They have them in food stores  
3 right next to the throw-aways. The sixteen  
4 ounce deposits have sat on the shelves for three  
5 weeks now without moving and, yet, I am putting  
6 in five to six cases of throw-aways. The people  
7 are hounding for them.

8 We can't say, "Mr. Consumer, take  
9 this one." They have to pick it up and take  
10 it themselves. We have them available, but  
11 they don't want them. The people want a throw-  
12 away bottle. So, we have to give the customers  
13 what they want.

14 DOCTOR FISCHER: Thank you.

15 MR. GRANT: John O'Connor?

16 Mr. O'Connor, just for the benefit  
17 of the Committee, would you explain what a shell  
18 is?

19 MR. O'CONNOR: A shell is an empty carton.

20 I am John O'Connor of the Schaefer  
21 Brewing Company. I would like to say that the  
22 Schaefer Brewing Company wholeheartedly  
23 endorses the United States Brewers Association  
24 position on this matter. We will certainly  
25 give any help to anyone who wants it in

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1 developing an economic impact statement or  
2 anything else.

3 I think the whole matter has been  
4 discussed pretty fully by this time. I would  
5 just like to point out that the increased cost  
6 that the manufacturers are speaking of are in  
7 the matter of capital construction for ware-  
8 housing room, for machinery, specifically soakers  
9 and bottle handling machinery. It would be  
10 very expensive not only to buy, but to maintain;  
11 and the cost of handling returnable bottles  
12 would be prohibitive.

13 I am not saying Schaefer is going to  
14 go out of business because Suffolk County may  
15 pass this law. It is not, but it would affect  
16 our ability to do business at current prices  
17 in Suffolk County, and the cost that we will  
18 incur will have to be passed on to the consumer.  
19 We won't be able to absorb it. It means our  
20 prices will have to go up.

21 These are continuous prices, the  
22 purchase of glass is very important, and labor  
23 which, in New York, is extremely high. It  
24 will continue so long as this law is in effect.

25 Finally, I would like to explain that

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1 on the other side, everyone seems to think  
2 that, somehow, industry has brainwashed the  
3 public into accepting the containers, but it  
4 is just the opposite. We give the public what  
5 they demand. If we try to shove the other down  
6 their throat, we would be out of business very  
7 shortly.

8 Thank you very much.

9 MR. GRANT:

Thank you, Mr. O'Connor.

10 Arlene Davison?

11 [A STATEMENT WAS PRESENTED TO MR. GRANT BY  
12 MRS. LARSON.]

13 MR. GRANT:

Mr. Darrow?

14 MR. DARROW:

15 Mr. Chairman, members of the  
16 Committee, my name is Kim Darrow and I am  
17 here representing, primarily, Citizens for a  
18 Clean Environment. However, there are two  
19 other organizations, the Great South Bay  
20 Audubon Society and the Suffolk County  
21 Conservation Council who, due to the daytime  
22 scheduling of the Hearing, were unable to  
23 send representatives to lend their support.

24 Also, the Moraine Audubon Society  
25 Division was represented here today, but the  
person who was here all morning had to leave

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1 because he had teaching duties in the  
2 afternoon. I have his statement which I will  
3 submit to the Committee -- and there was one  
4 other --

5 MR. GRANT: [INTERPOSING] You are a busy little  
6 guy, aren't you?

7 MR. DARROW: I didn't expect to be holding all  
8 these papers, and people had to leave.  
9 Unfortunately, we are not on industry payrolls  
10 and some of us had to attend to our jobs.

11 FLOOR: Neither are we.

12 MR. DARROW: The Concerned Citizens of the Eastern  
13 End, also, had a statement and I am submitting  
14 it to you.

15 I am sorry Mr. Klein left because  
16 he was asking questions as to documentation on  
17 some of the economic aspects of the issue and,  
18 in a supplementary statement which I am  
19 submitting, which was given by Citizens for a  
20 Clean Environment at the New York City Hearing  
21 in February of the New York Council of  
22 Environment Advisors, includes, as an appendix,  
23 a study. In fact, the actual data from a  
24 study that CCE did last year comparing beverage  
25 prices in returnables versus non-returnable

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1 bottles in stores in Suffolk County, primarily  
2 in the Town of Islip, and the results which you  
3 will have with this statement.

4 Generally, the difference in price  
5 ran from ten to thirty per cent less for a  
6 comparable quantity of beverage in returnables  
7 than in throw-aways. You will have that  
8 information.

9 Now, I will read my statement for  
10 today.

11 Citizens for a Clean Environment  
12 strongly supports a mandatory deposit on all  
13 beverage containers sold in Suffolk County and  
14 a ban on so-called "flip-top" cans. We urge  
15 the Environmental Control Committee to intro-  
16 duce and recommend to the entire Legislature  
17 the "Suffolk County Beverage Container Act"  
18 now being considered.

19 Among the probable benefits of such a  
20 law are reduction of litter, conservation of  
21 energy, reduction of solid waste, lower beverage  
22 costs for consumers, increased competition in  
23 the beverage industry and a net increase in  
24 jobs. The energy waste of a throw-away system  
25 is especially significant in view of the

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1 recent fuel problems experienced in this  
2 country and the still skyrocketing costs of  
3 energy. A recent study by the Environmental  
4 Protection Agency confirms earlier findings by  
5 private investigators that important energy  
6 savings would be realized from a conversion  
7 to an all-returnable beverage container system.  
8 The energy and economic aspects of this contro-  
9 versy are discussed in a statement presented by  
10 CCE at a recent hearing held by the New York  
11 Council of Environmental Advisors. A copy of  
12 that statement is being submitted along with  
13 this one, and the remainder of this statement  
14 will deal with litter control and solid waste  
15 management.

16 Litter is a highly visible  
17 environmental blight. Unfortunately, the  
18 beverage and container industries' quarter-  
19 century selling of the throw-away ethic has  
20 been much more successful than its anti-litter  
21 public relations campaign through such  
22 organizations as "Keep America Beautiful" and  
23 "Pitch-In". Many studies have borne out what  
24 any of us can simply observe: That beer and  
25 soda containers make up a substantial portion.

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1 of roadside litter. Last year CCE picked up  
2 cans and bottles along a couple of hundred  
3 feet of Veteran's Memorial Highway. We have  
4 the results, or at least some of the results  
5 with us, and invite the industry representatives  
6 present today to sort out their own and take  
7 them away. I hope, incidentally, they have  
8 gloves because these objects tend to be both  
9 sharp and messy.

10 The State of Oregon has demonstrated  
11 the effectiveness of a deposit law in reducing  
12 litter. Between the summers of 1972 and 1973  
13 they experienced a ninety per cent reduction in  
14 beverage container litter. Their law went into  
15 effect October 1, 1972. In response to industry  
16 charges that the reduction is due to an  
17 increased litter clean-up campaign, an  
18 assistant to Governor McCall stated that there  
19 has been no increase in money spent by the  
20 State for litter pick up since the law went  
21 into effect. We will have to leave it to the  
22 Committee to find out who is right on that one.  
23 So in just months Oregon's deposit law has  
24 succeeded in cutting litter while years of  
25 educational efforts have failed.

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1                   The industry argues that we should  
2                   look to a systems approach involving resource  
3                   recovery to solve our solid waste management  
4                   problems. They dismiss returnable container  
5                   systems as insignificant because beverage  
6                   containers comprise less than five per cent of  
7                   our solid waste load. It is important to  
8                   recognize the paradox involved in this line of  
9                   reasoning. The multi-faceted attack implied by  
10                  the "systems approach" jargon is contradicted  
11                  by the industry's insistence that resource  
12                  recovery is a panacea for the solid waste  
13                  problem and that no other answers need be  
14                  considered. It takes many small parts to make  
15                  up the whole solid waste load. One could  
16                  explain away a substantial portion of that load  
17                  by breaking it into its various small  
18                  components and dismissing each part as  
19                  inconsequential compared with the whole. This  
20                  argument is clearly absurd and is incompatible  
21                  with a systems approach.

22                   Recycling is a more basic and general  
23                   concept than resource recovery. It includes  
24                   not only resource recovery but such other sub-  
25                   concepts as reuse and resource conversion, e.g.,

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1 burning garbage to produce electricity. A  
2 system of returnable bottles is an example of  
3 reuse.

4 Reuse has at least two main advantages:  
5 (1) It prevents an object from becoming a part  
6 of the solid waste load; and (2) It wastes less  
7 energy than does the fabrication of new objects  
8 from either raw or recovered materials.

9 We support and will continue to work  
10 for resource recovery as part of the overall  
11 solution to the problems of solid waste  
12 management. However, it is not a panacea, and  
13 other methods such as reuse must also be  
14 employed. The sale of beverages in returnable  
15 bottles is a proven method of reuse and  
16 should be encouraged by the economic mechanism  
17 of a mandatory minimum deposit.

18 A recent survey by Senator Caesar  
19 Trunzo of the Third Senatorial District asked,  
20 "Should the State require a deposit on all  
21 beer and soft drink containers?" The results  
22 were 65.9 per cent in favor, 25.6 per cent  
23 opposed and 8.5 per cent undecided. There is  
24 widespread public support for such legislation.  
25 The main opposition appears to be from those

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1 with an economic interested in maintaining the  
2 status quo. Suffolk County has taken the lead  
3 before on important environmental issues. It  
4 now has the opportunity once again to be among  
5 the leaders.

6 It might be argued by some that  
7 State Legislation would be more effective, and  
8 that Suffolk County should therefore keep hands  
9 off. We agree that the State should pass a  
10 deposit law. But the best way to persuade the  
11 State Legislature to act is to demonstrate on  
12 the local level that such a law can work and  
13 that it has popular support. Cayuga County has  
14 passed an Oregon style law; other counties are  
15 considering similar action. By acting  
16 decisively now, Suffolk County can provide  
17 leadership and encouragement to other counties  
18 and, ultimately, to the State. More importantly,  
19 it will give the advantages of this law to the  
20 citizens of Suffolk County now.

21 Thank you.

22 MR. GRANT: Kim, would you leave your comments  
23 on the desk there?

24 MR. DARROW: Yes. Also, I am submitting some  
25 petitions that we have collected.

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1 MR. GRANT: How did you acquire those petitions?

2 MR. DARROW: Various means. Some were signatures  
3 that were acquired at County affairs and others  
4 by door to door solicitation by members of our  
5 group.

6 MR. GRANT: Thank you. William Thaddeus?

7 MR. THADDEUS: I was just listening to this young  
8 lady here, and she says to us that she has gone  
9 to other states and the minute she hits New  
10 York, she knows she is in New York.

11 I want to ask this young lady, have  
12 you ever gone through New Jersey?

13 MRS. CASTA: No.

14 MR. THADDEUS: Could you name a couple of states  
15 you went to?

16 MRS. CASTA: A couple of states in the west and  
17 some parts of New Jersey, yes.

18 MR. THADDEUS: The same company, the Coca-Cola  
19 Bottling Company of New York that manufactures  
20 your product in New York, happens to own a  
21 New Jersey company and if they are making the  
22 same things in New Jersey and Jersey seems to  
23 be a cleaner state, -- I love these  
24 Legislators. They work for us and instead of  
25 being here today and trying to hurt people

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1 that's honest and hard working, that they  
2 should go out and get a law to protect these  
3 people that are littering on the street and on  
4 the highways, not to go and pick on a certain  
5 group of people -- I worked for Coca-Cola  
6 since 1939. I went in and asked for a part-  
7 time job and I am still there. It looks like  
8 I can't keep a job steady. [LAUGHTER]

9 Mr. Fischer, I want to ask you a  
10 couple of questions. I am not here with  
11 papers. I do not carry papers. I speak from  
12 here [INDICATING] and from experience.

13 I held almost every position in the  
14 Coca-Cola Bottling Company except the  
15 presidency job and the vice-presidency job.  
16 So, watch yourselves there, pal.

17 What does a deposit bottle mean?  
18 First of all, if my friend, Mr. Andrews, that  
19 was here before me is not really in the heart  
20 of it because, as he said, he is putting ten  
21 hours a day on the road today. Now, right now,  
22 our commissions on a deposit case, which if  
23 you will check, like I told you before, all  
24 over the lot, people do not want them -- fifty-  
25 four cents a case.

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1                   At the fifty-four cents, if we hire a  
2                   man, we have to pay that man two cents to  
3                   pick these bottles up. On a deposit case, we  
4                   are paid commissions by the whole gross, the  
5                   whole net of the case. In other words, if a  
6                   non-deposit costs us five dollars, we sat  
7                   down with management, we negotiate and we come  
8                   to a price of the whole case. With our deposit  
9                   case, we only get commission on the contents,  
10                  the Coca-Cola actually in the bottle. We get  
11                  nothing for handling this case. We have to  
12                  handle it and, by the way, gentlemen, if you  
13                  don't know it, this is a very dangerous thing  
14                  when you have deposit bottles on trucks. They  
15                  do not ride the same as a non-deposit and you  
16                  wind up with spillages all over the lot, and  
17                  this is a great cost to everybody.

18                   Another thing that was brought out  
19                   here before -- and Mr. Fischer, I am the  
20                   vice-president of the Association -- if you  
21                   would like to talk to me and the president, we  
22                   would gladly help you out with any figures on  
23                   the deposits.

24                   I happened to help manage the  
25                   Greenpoint Plant, which we, last year, in a

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1 period of four months, we disposed of forty  
2 thousand shells or cases of -- which these  
3 empties were lost. Every day, there was a  
4 sorting of stock, and we get these shells back  
5 and back, and we have raised it to a dime, the  
6 bottle.

7 Now, let's not go back thirty years  
8 ago when we were kids, a lot of us, and say,  
9 "Well, the two cents bottle used to come back."

10 Remember one thing, gentlemen,  
11 thirty-five years ago, two cents was worth two  
12 cents. Today, for ten cents, if you give a kid  
13 a ten cent bottle and he brings it to the store,  
14 he cannot even buy a bar of chocolate today.  
15 So, why does he want to bring it back? It is  
16 ridiculous.

17 So, gentlemen, I say this and I say  
18 it sincerely. If this young lady -- I want to  
19 thank her for her point. If she found New  
20 Jersey clean and other states, I say, then,  
21 this is our problem. Let us see what we could  
22 do to try to educate our people to come out  
23 to pick these bottles up because, today, the  
24 American people has too much. They want  
25 everything so simple to them and I assure you,

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1 gentlemen, you can put a twenty-five cent  
2 deposit on a can or a bottle and I assure you,  
3 people will not bring it back. This is not the  
4 answer.

5 Our answer is, let's pass stronger  
6 laws to get these people that are littering our  
7 highways, and that's when we will be in good  
8 shape.

9 One more thing I would like to bring  
10 out about recycling. Everybody thinks when the  
11 vice-president told you he picked up over two  
12 hundred million bottles -- well, it is not that  
13 easy, gentlemen, because I happen to run a  
14 recycling station in Greenpoint and you name  
15 it, we got it; wine bottles, whiskey bottles,  
16 we got it. We took it in. We had to sort  
17 there where the man who was picking up these  
18 products, if you had a green bottle in with the  
19 amber colored, he would knock the whole deal  
20 out. All the glass was sorted, as the cans  
21 were. So, people are trying and people will  
22 continue trying; and my main issue is, here,  
23 right now, believe me, gentlemen, you are not  
24 going to hurt the Coca-Cola Bottling Company.  
25 You are not. You are going to hurt the little

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1 man that has a home, that has a car and, maybe,  
2 has an air conditioner now because he is a  
3 little rich. This is the man you are going to  
4 hurt, the man that you are going to put back  
5 twenty years, that in order for him to make  
6 a living -- and I mean it -- he is going to  
7 drive with one hand, like we did thirty-five  
8 years ago, and eat with the other.

9 I assure you there is nobody in this  
10 country or in this room that wants to go back  
11 that many years.

12 As far as the gas goes, friend, your  
13 car may get eight gallons, ten gallons out of  
14 it. Did you check your trucks? They get only  
15 three and if these people have to put on more  
16 trucks, which right now we are paying one  
17 hundred forty-seven dollars a week, gentlemen,  
18 for a truck -- it is costing us to operate  
19 our vehicle -- and if we have to go out and  
20 hire extra trucks and take out half loads,  
21 it is going to be humanly impossible to  
22 exist because, gentlemen, there are so many  
23 hidden things behind hiring people, it isn't  
24 funny. You will see that you are not going  
25 to tell nobody to put a light out to save oil

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1 because as much as you say a bottle goes back  
2 ten times -- yes, it goes back ten times, and  
3 every time you want to wash that bottle, pal,  
4 you are going to need oil. You are going to  
5 need soaps to wash these bottles.

6 You say what happens to the bottle  
7 you get now? Why aren't we getting a clean  
8 bottle? You are getting a clean bottle. The  
9 bottle comes out of the manufacturer and the  
10 rinsing of it is enough. We don't need no  
11 detergents.

12 One thing, we are all worried about  
13 each other's health. Try it, gentlemen. Take  
14 any bottle, whether it be a deposit or a non,  
15 but if we have this returnable bottle, there  
16 isn't one person in this room that empties a  
17 bottle -- never. When you leave that in your  
18 garage, leave it any place, and you don't get it  
19 back to the store soon enough, pal, you are  
20 going to wonder where you are getting all these  
21 ants and roaches from, and this is no good for  
22 nobody.

23 So, it is not that simple because  
24 there is two hundred seventy little men of the  
25 Coca-Cola distributors that will definitely get

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1 hurt and, then, when we get hurt, you get hurt.  
2 If we don't make money, we can't pay our taxes  
3 -- and I am not up here crying. I am up here  
4 giving you facts and if anybody wants to meet  
5 the president and I after this meeting, we  
6 will gladly meet with you and answer any  
7 questions if anybody has any now.

8 So, gentlemen, thank you for your  
9 time and God bless you. [APPLAUSE]

10 MR. O'NEIL:

Mr. E. J. Kelly.

11 MR. KELLY:

12 I think it is fair for me to say  
13 that's a tough act to follow. It is show biz  
14 jargon, but I really feel it is a tough act  
15 to follow.

16 Mr. Chairman and members of the  
17 Committee, my name is Jim Kelly. I am manager  
18 of the eastern region of Reynolds Metals  
19 Company's Metal Recycling Division, with  
20 headquarters in New York City. I am responsible  
21 for the company's aluminum recycling activity  
22 in a ten-state area stretching from Michigan  
23 to Maine, Maine to Delaware. The bulk of our  
24 efforts, however, are currently centered in the  
25 Metropolitan New York City area -- Long Island  
and New Jersey.

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1 Suffolk County, in solving its solid  
2 waste and litter problems, does not have to risk  
3 the effects of increased consumer costs and  
4 economic dislocation that deposit bills or  
5 other restrictive beverage package legislation  
6 threatens.

7 Reynolds Metals Company believes there  
8 are far better alternatives to the problem  
9 than the passage of such laws -- mainly  
10 recycling and, looking at the larger picture --  
11 the establishment of a sound solid waste  
12 recovery program.

13 We have already taken in the first  
14 step in my first point -- recycling. A mobile  
15 unit program was established in July, 1973,  
16 in Long Island. In the six months that the  
17 program was in operation last year, we collected  
18 twenty-six thousand pounds of aluminum cans and  
19 other aluminum household scrap. This total  
20 six hundred twenty-five thousand cans that did  
21 not go into solid waste and cannot become  
22 litter. Unlike a regressive deposit or tax  
23 that takes money out of the pocket of the  
24 consumer, the two thousand six hundred dollars  
25 we paid Long Island residents for aluminum cans

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1 represents new money infused into the local  
2 economy as a fair market price for valuable  
3 scrap that would otherwise have been thrown  
4 away.

5 So far in 1974 -- that is in the first  
6 quarter -- we have collected more than ten  
7 thousand pounds of aluminum in Long Island.  
8 We currently have nine mobile unit stops on  
9 the Island, two of which are in Suffolk County.  
10 The local stop this year is at Riverhead Mall  
11 and Lake Grove.

12 I might add, I was slightly  
13 disappointed during the early part of this  
14 year. Because of the gasoline shortage, our  
15 collections were down all over by, roughly,  
16 fifty per cent because of the gasoline  
17 problem.

18 Now, since the Long Island program  
19 started we have collected thirty-six thousand  
20 pounds of aluminum, and we are now looking at  
21 expansion plans for the Metropolitan New  
22 York area.

23 Nationally, Reynolds recycled 1.1  
24 billion cans in 1974, paying the public 4.5  
25 million dollars for their collection. The

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1 aluminum industry as a whole, working with  
2 beverage wholesalers and distributors  
3 throughout the country, recycled 1.6 billion  
4 cans.

5 Before leaving the subject of litter  
6 which is, as you know, only the tip of the  
7 large iceberg known as solid waste, I would  
8 like to comment briefly on the pull tab. Many  
9 suggested pieces of legislation have looked at  
10 the pull tab on beverages as a unique litter  
11 problem and have sought to legislate it out  
12 of existence. Again, in response to public  
13 demand, industry is developing answers to this  
14 problem maintaining consumer convenience.

15 There are several non-detachable  
16 ends now being market tested by different  
17 companies around the country. Non-detachable,  
18 easy-open ends will be available to the  
19 consumer and will eliminate this particular  
20 complaint against our product, without  
21 eliminating the convenience feature of the  
22 easy-open end. Legislation would only  
23 disrupt the process without really accelerating  
24 the progress toward an acceptable alternative  
25 to the pull tab.

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1                   In the area of solid waste, we know  
2                   that our consumer-oriented aluminum can  
3                   recycling program, successful as it may be,  
4                   will never bring back all of the used aluminum  
5                   consumer products in the market place to be  
6                   recycled. For this reason, we have been  
7                   actively involved in research and development  
8                   programs pointed toward the extraction of  
9                   aluminum from mixed municipal refuse.

10                   When we began our research work in  
11                   this area, some four or five years ago, most  
12                   people looked upon solid waste as a problem to  
13                   be gotten rid of. Because aluminum is a small  
14                   component of municipal refuse -- generally less  
15                   than one per cent and seldom, if ever,  
16                   exceeding two per cent -- it was usually ignored  
17                   in solid waste disposal or processing schemes  
18                   designed to get rid of the vast bulk of other  
19                   refuse. However, Reynolds found that, just as  
20                   the cash incentive was the key to our successful  
21                   consumer-oriented aluminum can recycling  
22                   program, aluminum's high scrap value can make  
23                   it the economic key to successful resource  
24                   recovery operations, despite its low percentage  
25                   in municipal refuse.

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1                   These two important facets of  
2                   recycling aluminum from solid waste should be  
3                   re-emphasized. First, it complements our  
4                   consumer-oriented program and together these  
5                   programs have the potential of recycling  
6                   virtually all aluminum consumer products.  
7                   Second, that aluminum, because of its high  
8                   scrap value, contributes substantially to the  
9                   economics of proposed municipal refuse recycling  
10                  systems despite the fact that it is a small  
11                  component by weight or volume.

12                 I would like to conclude my remarks  
13                 with a few comments on energy. This is a  
14                 popular topic these days and is also used as  
15                 an excuse by some for deposits or other  
16                 restrictions on non-refillable beverage  
17                 packaging. We believe that the energy  
18                 argument is totally invalid when it is used  
19                 against non-refillable packaging.

20                 I would like to review with you a  
21                 local sequence that leads Reynolds to this  
22                 conclusion. First, the advocates of an energy  
23                 savings provided by a complete switch to  
24                 refillable bottles are able to demonstrate a  
25                 savings of only nineteen one-hundredths of

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1 one per cent of the nation's energy demand.  
2 Counterbalanced against this are data from a  
3 study prepared by Midwest Research Institute  
4 showing that the same switch would put a gross  
5 negative impact into our economy of ten billion  
6 dollars and cause the loss of one hundred sixty-  
7 four thousand jobs nationally.

8 However, even the reported nineteen  
9 one-hundredths of one per cent energy savings  
10 raises some serious questions. It is based upon  
11 achieving a fifteen trip return rate for  
12 bottles -- a figure which is hardly realistic  
13 based upon the trends in bottle return rates.  
14 The figure also fails to take into account the  
15 fact that returnable bottles require tremendous  
16 extra amounts of secondary packaging -- board  
17 carriers, labels, et cetera. Our calculations  
18 indicate that this secondary packaging for  
19 refillable glass is about five and one-half  
20 times more than that required for aluminum  
21 cans, for example.

22 This nineteen one-hundredths of  
23 one per cent figure does not take into account  
24 that recycling can save energy as well.  
25 Aluminum, for example, can be recycled with

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1 only five per cent of the energy required to  
2 make virgin metal. Finally, and perhaps most  
3 important of all, this supposed energy savings  
4 lumps transportation and manufacturing energy  
5 into one number. In the manufacturing step,  
6 again using aluminum cans as an example,  
7 relatively abundant coal and hydroelectric  
8 power are required in the manufacture of the  
9 material.

10 Once they have been made, beverages  
11 packaged in aluminum cans take up one-half  
12 of the weight and one-half the volume of  
13 beverages packaged in refillable glass bottles,  
14 resulting in tremendous savings in gasoline  
15 and other scarce petroleum products at the  
16 transportation end. Put another way, twice  
17 as much beverage can be delivered per gallon  
18 of gasoline in aluminum cans as returnable  
19 bottles, and this does not count any energy  
20 required to ship the returnable bottles back.

21 The entire area of litter and solid  
22 waste is an extremely complex one and I have  
23 been able to touch on only a few of the high  
24 points of the work that Reynolds and others  
25 have been going to assist in solving the

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1 problem.

2 But with these promising solutions in  
3 action and in sight it seems unwise to us at  
4 this time to impose on the consumer and the  
5 country higher costs, less convenience and  
6 economic disruption in trade for limited  
7 impact on the problems we are all seeking to  
8 solve.

9 That's all I have to say as far as  
10 my prepared statement, but I want to tell you  
11 something about my experience with litter  
12 and something that happened in my family.

13 I have two young sons, one is four  
14 and one is seven. I have been involved in this  
15 aluminum ban and recycling program for about  
16 three and a half years now. Since I have  
17 been doing this -- I live in a very rural area  
18 and, again, I am just repeating my own  
19 experiences.

20 Every Saturday or Sunday, depending  
21 on when I am home, the two children and myself  
22 try to clean up an area about a quarter of a  
23 mile in either direction in front of my house.  
24 Across the street and to either side, it totals  
25 about a mile.

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1                   It has been my experience that these  
2                   children would never -- and I repeat this --  
3                   never, during their entire lives, be litterbugs.  
4                   I think it is an educational program, and I  
5                   think what we do, our program, as far as  
6                   involving ourselves in orientation with  
7                   children, I think this is the route to go, the  
8                   educational route with children in grammar  
9                   school. Starting with children at a very  
10                  young age, and I am proud to say that my  
11                  experience leads me to have a complete faith  
12                  in that program, and I believe this is where  
13                  we should start with the problem.

14                 That's all I have to say regarding  
15                 my statement today and if anyone has a  
16                 statement or a question today, I would be  
17                 happy to try and answer it for you.

18                 Possibly today, before I leave,  
19                 possibly one of you gentlemen can give me  
20                 some direction. We were looking to relocate  
21                 a reclamation center here in Suffolk County  
22                 and, possibly, today I can meet with one of  
23                 you gentlemen and, perhaps, you can give me  
24                 some leads in the area and tell me how I can  
25                 best do it.

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1 MR. O'NEIL: Doctor Fischer?

2 DOCTOR FISCHER: In order to get back to your aluminum,

3 you gave a figure for the amount that you paid

4 for scrap aluminum. How much would that work

5 out to on a per can basis?

6 MR. KELLY: About a half cent a can.

7 DOCTOR FISCHER: This is something that always

8 puzzles me because we just heard a gentleman

9 say that he, as far as he was concerned, he

10 didn't think that consumers would return

11 returnable cans even if they had a twenty-five

12 cent deposit and, yet, you are having people

13 bring back the cans. Are you having success

14 in that?

15 MR. KELLY: Yes, we have seventeen permanent

16 reclamation centers around the United States

17 right now; west, south, north and east, and

18 it shows the same pattern as it has shown.

19 The only thing that stops us from going to

20 an area is the amount of aluminum packaging in

21 the industry. Our program along with -- you

22 just don't put up a retail operation. We are

23 really in the retail business. It is simply

24 a matter of having the entire program, putting

25 up the facilities and promoting some good

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1 public relations. You promote it through the  
2 schools and through organizations, and one  
3 thing that's most important, we are prepared  
4 to buy back, in any area of the country,  
5 whether we have sufficient quantities of  
6 aluminum cans, one hundred per cent of all  
7 those aluminum cans in the market place.

8 We have some very excellent  
9 promotional people.

10 I have an excellent film. It is  
11 called, "The Money Game," and I showed it a  
12 couple of weeks ago at West Point to  
13 approximately six or seven hundred children  
14 and for some reason or other, the film, itself,  
15 is a good visual production.

16 Putting all of these things together  
17 and convincing people that you are in this  
18 program and you are willing to buy back all  
19 this material, and you are promoting it  
20 through advertising programs, your permanent  
21 centers, your urban locations, such as the  
22 reclamation centers we have in Suffolk County  
23 right now -- we are going to have more of  
24 these centers. I think all of this helps you  
25 come across with what is, I feel, a believable

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1 program.

2 One other thing. Four and a half  
3 years ago or five years ago, I had a very  
4 nice sales job with Reynolds Aluminum, and I  
5 was doing just fine. This opportunity came  
6 along, and we, at one time, owned some  
7 property in the Florida Keys and long before  
8 I got involved in this program, I was aware of  
9 litter, and when I got involved in this program,  
10 it gave me an opportunity to do something  
11 about it. This is a permanent, on-going  
12 program that I intend to spend my career at  
13 the Reynolds Aluminum Company doing exactly  
14 what I am doing right now. So, the way you  
15 advertise, the way you promote it, the fact  
16 that you involve yourself with organizations  
17 -- we are involved with Pepsi-Cola, Coca-  
18 Cola, with their recycling program. I think  
19 all these things add to your credibility, and  
20 this is why we are getting cans back.

21 DOCTOR FISCHER: People are returning them?

22 MR. KELLY: This is almost hard to believe.

23 We had an old gentleman back in Tampa, Florida,  
24 about a year and a half ago or two years ago  
25 actually complain to us that there were no

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1 aluminum cans along the highway because of the  
2 recycling program. He was actually complaining  
3 about this.

4 MR. GRANT: Mr. Kelly, where is the nearest  
5 recycling facility or processing facility for  
6 recycling aluminum?

7 MR. KELLY: Say, for example, two locations. We  
8 have nine locations on Long Island. We have two  
9 here in Suffolk County.

10 MR. GRANT: Is that for receiving or processing?

11 MR. KELLY: Receiving. I want to explain to you  
12 just what happens to this metal that's collected.

13 These trucks operate here from  
14 Brooklyn, New York and New Jersey. The material  
15 is collected by the general public. They are  
16 paid ten cents a pound cash on the barrel head.  
17 We bag the material, put it on the truck and  
18 take it back to the permanent center.

19 There, the material is unloaded and  
20 it is then run over by a separator and, then,  
21 it is shredded. It is turned into popcorn  
22 size chips, accumulated at the center until we  
23 have sixty thousand pounds at the facility, and  
24 we put it in a rail car and send it back to  
25 Virginia.

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1                   There, it is unloaded and the  
2                   material is melted down, and I figure about  
3                   sixty to sixty-five per cent of what we collect  
4                   in our program is turned back into can stock.  
5                   So, actually, you have a very -- a true  
6                   recycling program in that it will be turned  
7                   again into can stuff, and goes out and comes  
8                   back.

9                   I am not a metallurgist, but I know  
10                  this much about recycling, the more you recycle  
11                  the metal, the purer it gets.

12                 The company has been recycling ever  
13                 since it has been in business. If you sell one  
14                 hundred pounds, I think it is to a customer,  
15                 he does something with it. He manufactures a  
16                 product. I buy his scrap back from them.

17                 We have been recycling from customers  
18                 out in the market and we are recycling the cans.

19                 At this time, I understand there is  
20                 about four or five hundred years of metal ore  
21                 left in the world today. Every time you  
22                 recycle a pound of metal, you are stretching  
23                 that four or five hundred years out. It is  
24                 much like planting chestnuts for future  
25                 generations.

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1 This is why it is important that  
2 these recycling programs become permanent and  
3 they take hold, and people will support them.  
4 As I say, this is a full-time  
5 operation for us. We have our own recycling  
6 centers in the company. I see no reason why  
7 this doesn't grow. Somewhere between now and  
8 the next fifteen months, we intend to increase  
9 our recycling program by eighty-one more. That  
10 will give us just about one hundred different  
11 types of recycling centers around the country.  
12 So, I think we put our money where our mouth  
13 is as far as recycling is concerned.

14 MR. GRANT: Thank you, Mr. Kelly. Mrs. Larson?

15 MRS. LARSON: Mr. Chairman and other Honorable  
16 Members of the County Legislature, Mrs. Van  
17 Liew, Chairman of the Council on Environmental  
18 Quality, County of Suffolk, wanted to be here  
19 today to deliver this statement herself, but  
20 had to be away. I am a staff member of the  
21 Council, speaking on her behalf, as well as  
22 the other members.

23 Since 1971, the Council on  
24 Environmental Quality has supported the concept  
25 of a mandatory deposit system for beverage

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1 containers, and from time to time has engaged  
2 in studies and given public testimony.

3 The Council reiterates that support  
4 today and endorses this specific Act. The  
5 Department of Environmental Control has done  
6 such a thorough job in setting forth back-  
7 ground and justification for the Act, and in  
8 gathering references, statistics and answers  
9 to objections that the Council's statement  
10 today need not re-invent the wheel nor repeat  
11 what you already know.

12 Summarizing our position, with a few  
13 added thoughts:

14 1. The Council is not worried about  
15 a potential conflict with a potential State Law.  
16 We believe Suffolk should get on with it. If  
17 and when a State beverage container law is  
18 enacted, differences can be worked out at that  
19 time. Meanwhile, for every year of delay we are  
20 adding at least two hundred fifty million cans  
21 and bottles to our general clutter.

22 2. As a litter-reduction law, the  
23 Act is splendid. In addition to reducing  
24 aesthetic blight, it will reduce costs of  
25 clean-up along roads, at parks and wherever

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1 people gather. Local experience in litter  
2 clean-up campaigns has shown that beverage  
3 containers are a substantial part of all litter,  
4 certainly the substantial part of non-degradable  
5 litter, and it often appears that even one  
6 discarded can invites other trash.

7 3. The Act will eliminate one  
8 component of solid waste. Of course, it is but  
9 a partial solution. But when pollution occurs  
10 in increments, it makes sense to eliminate  
11 those increments at the source where practical,  
12 particularly when the more comprehensive  
13 solution will take many years. Just as Suffolk's  
14 famous detergent law reduced one of many  
15 groundwater problems, the beverage container  
16 law can do the same in terms of the burying or  
17 burning of our mounds of garbage.

18 4. We further believe that this  
19 Act is a positive step in what we all hope will  
20 be a turn-around of the American throw-away  
21 wasteful lifestyle. The long-range benefit in  
22 terms of public awareness of the larger solid  
23 waste problem can start here.

24 5. Regarding the costs of  
25 alternative solutions, the Council has always

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1 maintained that recovery and recycling of glass,  
2 aluminum, steel and plastic would cost far more,  
3 particularly in terms of energy consumption,  
4 than the easiest and more direct "recycling"  
5 method - which is reuse. While it may be true  
6 that energy use will rise within the borders of  
7 Suffolk County if bottles are washed here,  
8 the regional and national use of fuel for  
9 energy, which affects us all, is far greater  
10 for recycling plants as well as original  
11 manufacture. If aluminum cans remain on the  
12 Suffolk market - and the law allows that -  
13 their sought for recovery by the industry will  
14 be enhanced by the ten cent deposit; recycling  
15 of aluminum is cheaper in dollars and energy  
16 than original manufacture.

17 While it may be true that more  
18 beverage truck trips, using more gasoline, will  
19 be needed if the Act becomes law, it would be  
20 interesting to estimate how much gasoline is  
21 or would be used otherwise by consumers and  
22 environmental groups driving long distances to  
23 recycling stations and plants, or even to  
24 out-of-the-way and hard-to-find stores which  
25 carry returnable bottles.

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1                   6. The ban on "flip tops" was  
2 supported by the Council three years ago, in  
3 part as a safety measure. Another matter,  
4 relatively minor but which might interest you,  
5 is there is also some indication that  
6 removable parts are a detriment, albeit minor,  
7 to the marine environment: Reports have been  
8 noted of individual fish kills due to  
9 ingestion of the shiny metal parts.

10                   7. The Council supports the ten  
11 cents a container deposit, convinced that at  
12 that price no one would willingly throw away  
13 sixty cents worth of six-pack bottles or cans.

14                   The reason there is a poor rate of  
15 return today is that we have too much choice.  
16 Like babies with candy, of course, people will  
17 buy throw-aways if they are available, and at  
18 most stores the only containers available.  
19 Five cents a bottle for the occasionally bought  
20 returnable is too low to encourage return.

21                   8. The Council believes that the  
22 uniform-bottle provision in the Act should be  
23 given a try. It is optional. No one is being  
24 forced to get into it. Designed to provide more  
25 choice for the industry, to facilitate container

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1 return and simplify handling and sorting at  
2 the market, the provision offers a flexibility  
3 that has proven useful in Oregon. However, the  
4 lower deposit on the uniform bottle should not  
5 be so low as to discourage return.

6 The Council on Environmental Quality  
7 has experience in analyzing "environmental  
8 impact" of County projects and activities -  
9 beneficial impact and adverse impact - which  
10 is supposed to be set forth in required  
11 environmental impact statements. On the  
12 Federal level, the impact statement includes  
13 economic impact (mentioned here this morning)  
14 and the Suffolk Council encourages and asks  
15 for economic impact in those statements done  
16 under the County law.

17 I just wanted to point out that a  
18 study of the economics of the Oregon law was  
19 published as recently as last month, and shows  
20 that a great many of the conclusions and fears  
21 expressed today by the opponents of this Act  
22 are groundless.

23 The Council has always placed special  
24 emphasis on impact on people, because it is  
25 people who live in the environment, after all.

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1 The Department of Environmental Control's  
2 research has shown the adverse impact of what we  
3 call the "Do Nothing Approach." They have taken  
4 a great many of the purported adverse impacts  
5 of beverage container laws (claimed higher  
6 costs to the consumer; "widespread unemploy-  
7 ment;" "failure of similar laws;" "hardship,"  
8 particularly to low-income groups; "loss of tax  
9 revenue;" "unsanitary conditions;" et cetera)  
10 and shown these arguments to be either not  
11 true or contradictory to each other or capable  
12 of solution.

13 Therefore at this time, assuming the  
14 problems of the distributor can be solved and  
15 since we are not convinced that prices will or  
16 need rise above the current throw-away price,  
17 in terms of adverse impact on people what we come  
18 down to is simply "inconvenience" to those  
19 who drink beer and soda. Not hardship. As we  
20 pointed out in our testimony before this  
21 Committee in 1972, the beverages within these  
22 containers are not nutritional; no consumer  
23 is threatened with loss of health or well-  
24 being by this law.

25 "Inconvenience," we suspect, will be

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1 used as the ultimate argument to stir public  
2 opposition to this Act. To which we respond:

3 It is "inconvenient" to stop at a red  
4 light when you're in a hurry. But no one would  
5 deny the necessity for traffic controls.

6 It is "inconvenient" to bundle up our  
7 leaves in the fall instead of burning them, or  
8 to bale newspapers for separate pick up, but  
9 we have learned the wisdom of having such  
10 environmental laws, and we abide by them.

11 It is "inconvenient" and costly for  
12 industries to treat wastes before dumping them  
13 into the nation's waterways, but it has become  
14 essential.

15 It is "inconvenient" to wash dishes  
16 and make beds, but no one would deny that  
17 moderate to good housekeeping practices promote  
18 better environmental quality at home.

19 A lot of people thought that it would  
20 be "inconvenient," if not a hardship, to use  
21 soap powder instead of synthetic detergents.  
22 But on the whole, those who abide by the  
23 spirit of the detergent law and refuse to  
24 smuggle synthetics across the border do not  
25 feel put upon with the slight change in their

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1                   laundrying practices.

2                   We don't think we have to pander to  
3                   our own sense of what is inconvenient when it  
4                   is clear that the benefits of eliminating junk  
5                   are worth the effort.

6                   The Council's experience in the  
7                   public education field with the detergent law  
8                   showed that consumers, if they understand the  
9                   reasons behind a law and the long-range  
10                  benefits, accept the change and find it gives  
11                  them a personal sense of doing something  
12                  positive for "The Cause."

13                  It may be "inconvenient" to lug  
14                  bottles in and out of a car and back to the  
15                  store, but we daresay that since every citizen  
16                  in Suffolk County over the age of two will be  
17                  involved with the results of this Act, it  
18                  will, more than the detergent law, raise  
19                  public consciousness to the necessity of  
20                  paying attention to the solid waste problem  
21                  and the quality of our environment.

22                  MR. GRANT:                   Thank you, Mrs. Larson.

23                                   Julius Rome?

24                  MR. ROME:                   Mr. Chairman and members of the  
25                                   Committee, I had requested that I have an

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1 opportunity to speak with you since all of the  
2 wholesalers in Suffolk County that distribute  
3 in Suffolk County are here and since early  
4 this morning, not one of us has had a chance  
5 to speak with you, and we all do have to get  
6 back to New York.

7 I know the people from Harvard  
8 Distributors are here; Quintree Distributors  
9 in Sayville, Cedar Beverages, et cetera.

10 I am with Boening Brothers in North  
11 Lindenhurst. Our president, Harold Boening,  
12 intended to be with us, but he is out of  
13 town.

14 I am the traffic manager at Boening  
15 Brothers, and I am here to represent the  
16 employees of Boening Brothers.

17 I have been in the industry for  
18 about thirty-five years now. I have been in  
19 production scheduling, transportation,  
20 warehousing, freight handling, and I have a  
21 fair knowledge of the deposit bottle.

22 Years back, the deposit bottle was  
23 used that made this twenty-five trip cycle,  
24 weighed about twice the deposit bottle of  
25 today and about four times the no return bottle

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1 of today. As far as hauling the deposit  
2 bottle to the various wholesalers, our costs  
3 would be doubled. There is forty-nine to  
4 fifty-four cases of deposit bottles on the  
5 platform which has approximately the same  
6 weight as a pallet of cans which runs from  
7 ninety to, oh, they got it up to one hundred  
8 twelve. There is a tremendous shortage of  
9 trucking today. It is difficult to get trucks  
10 to haul at a reasonable rate. Their costs  
11 have been increased.

12 So, the hauling costs of bringing a  
13 deposit case into a wholesaler in Suffolk County  
14 is double the cost of bringing a carton of cans  
15 or, approximately, forty per cent of the cost  
16 of bringing in a n-r bottle due to the number  
17 of cases on the pallet and the weight of a  
18 particular item.

19 When it comes to warehousing, if you  
20 would look at this particular Hearing Room here  
21 and can envision a floor load of one hundred  
22 pallets with fifty cases of deposit bottles  
23 per pallet, and then go two high, and you  
24 would have two hundred pallets, and to go  
25 three high is unsafe because if you are near a

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1 rail siding, the constant train traffic going  
2 by will topple them even if you straddle them;  
3 and you would relate the same space to cans  
4 at one hundred cans per pallet in the same  
5 amount of space, of full goods, you get about  
6 ninety-six hundred of deposit cases and you  
7 would get thirty thousand cans.

8 As far as glass, glass runs from  
9 approximately, now -- they run about seventy  
10 cases a pallet, no return glass; and even at  
11 no return glass, you can't stack more than two  
12 high because of the safety factor. It is not  
13 uncommon that, you know, this is tried. Every-  
14 body does it for space, but they do come down.

15 So, if a man were handling no  
16 deposit bottles solely in Suffolk County here,  
17 and he had this size warehouse for the no  
18 deposits and on the presumption that if he  
19 were to deliver ten cases and pick up ten  
20 cases, then that ninety-six hundred cases would  
21 be halved. So, he would have forty-eight  
22 hundred cases in this particular space versus  
23 thirty thousand cases of cans.

24 So, the warehouse factor of all  
25 wholesalers is affected.

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1                   As far as the return, as far as the  
2                   return of cans, those that came back, there is  
3                   no way of handling that except if he were to  
4                   compress that on his premises. He would have  
5                   no other way because the cans certainly wouldn't  
6                   be returned in the cases they were sold. They  
7                   are sold in six packs and, in some way, contained  
8                   either in plastic or cardboard and, in fact,  
9                   he would have to have a space, or another  
10                  building or another area, probably outside  
11                  storage to contain it.

12                 Now, several of the folks here, as  
13                 they spoke, I made some notes on question.

14                 The Commissioner had said that if  
15                 they would have taken the cans collected in  
16                 this County and surrounded this building here  
17                 with them, we couldn't get into the Hearing  
18                 Room. We couldn't get into the Hearing Room  
19                 if they took the wine bottles. We couldn't get  
20                 into the Hearing Room if they took the  
21                 mattresses. We couldn't get into this Hearing  
22                 if they took the sofas and as far as this  
23                 waste making land of ours, we have two children  
24                 in our family and in those days, they had a  
25                 diaper that you washed. If all the

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1 housewives were to use diapers instead of  
2 Pampers and some other similar material, I  
3 am sure this would help with the disposable  
4 problem.

5 This is the type of society we live  
6 in. It is not a waste society, but it is a  
7 convenience society, and the people that  
8 look for the convenience today are the children  
9 of fellows my age and, possibly, yourselves  
10 have raised. The young housewife doesn't want  
11 inconvenience, and they are the ones that buy  
12 our products and in our particular warehouse --  
13 and you gentlemen would be welcome to inspect  
14 it -- you find about four per cent of our  
15 items are deposit and that's it. This is only  
16 because on-premises outlets, which are  
17 restaurants -- the tall bottle looks graceful  
18 on the table -- and all the local breweries  
19 like to be represented in nice eating places,  
20 and that's why this bottle is produced. The  
21 fact that there is a difference in price, you  
22 might understand.

23 If it is a minor part of our  
24 production, you can sacrifice some costs to  
25 get it placed in a decent eating place where

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1 people will be subject to tasting.

2 It was mentioned about our roads. I  
3 am very familiar with the State of Virginia.  
4 We have many relatives down in Charlottesville,  
5 Roanoke. The university is in Charlottesville  
6 and Roanoke, I think, is the hometown of  
7 Reynolds Metal, Rocky Mountains, and I had  
8 quite a bit of experience on the roads in  
9 Virginia. They are the cleanest roads in the  
10 country. I have been across the roads from  
11 coast to coast. I have been in European cities  
12 that have been spotless, and the thing that  
13 makes the city, a county or state clean is  
14 nothing but the people.

15 The people that pick up cans for  
16 one-half cent and bring them back to Reynolds  
17 Metal, will pick up cans at two cents, five  
18 cents and ten cents; but the same people who  
19 litter our roads won't bring back the Reynolds  
20 Metal containers for a dime, a nickel or a  
21 quarter.

22 There are certain spots in this  
23 County from the north to the south and from  
24 the County line to both points -- I hit the  
25 points at least a dozen times each year, and I

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1 can tell you that coming up Sagtikos Parkway  
2 into Veteran's Highway, that's a litter spot;  
3 filthy. I can tell you that getting off at  
4 Islip Avenue on Southern State Parkway, filthy.

5 I can tell you that by riding by  
6 the Islip-East Islip High School around Spur  
7 Drive, filthy; not only beer cans, all sorts  
8 of litter in the world.

9 I can tell you that the east end of  
10 the Island, out in Southampton, which I  
11 travel frequently, is clean. In fact, from  
12 January through May, it is a delight to go  
13 there, but when the people spend the season  
14 out there, there is some carelessness. You do  
15 find soda cans, beer cans and wine bottles and  
16 all other types of litter and rubbish.

17 Now, there is some states -- and I  
18 don't have it offhand. I didn't come here  
19 prepared to talk about other states -- they  
20 have litter laws that will fine you five  
21 hundred dollars, and I think we should put  
22 something in here. I think we should look to  
23 prevent the litter. As Mr. Kelly said from  
24 Reynolds Metal, his children, he doesn't  
25 believe, will litter as they grow up. Mine

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1 never have because I would see that they didn't  
2 litter the same as my dad did. If I littered,  
3 I got whacked.

4 If people will be permissive with  
5 their children, allow them to litter and grow  
6 up with it, if you want to face it or not,  
7 therefore, the source of the problem will be  
8 the people; not the beer companies, the  
9 companies that manufacture the cans or the  
10 glass.

11 I saw, at the east end of the Island,  
12 just as much tires, springs, mattresses,  
13 chairs. It is a great deal by area and by  
14 groups.

15 The task force in Islip here, the  
16 gentleman spoke before, I had a notice sent  
17 to my home. It says if you wish to dispose  
18 of your refrigerator, your dryer, your washer,  
19 if you -- and they printed this both in  
20 English and Spanish -- to call this number and  
21 they will make an appointment to pick it up.

22 A couple of Saturdays ago on Union  
23 Boulevard in West Islip, I saw a fellow with  
24 a station wagon with a whole washer in the car,  
25 and he started to take it out, and I did pull

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1 over. I said, "Buddy, they have a number you  
2 can call and they will pick that up."

3 He said, "I haven't got the time."  
4 I said, "Well, hell, don't throw it here.  
5 There is no garbage here."

6 He said, "My washer is going to be  
7 here."

8 Once in a while, I take a chance --  
9 in my industry, I can't get locked up, and my  
10 employer will vouch for me -- and sometimes I  
11 avoid that chance because I have to earn a  
12 living.

13 I am an environmentalist. I have  
14 walked our beaches and I don't find too much  
15 on the beaches because our police do a fair  
16 job of enforcement. In the winter, when the  
17 sand blows over, you will see some flip-tops,  
18 but they are picked up.

19 The gentleman mentioned -- I think  
20 it was Mr. Hedberg -- he mentioned the three  
21 dollars eighty-nine cents to five dollars a  
22 case in the Schaefer products, that they have  
23 the returnable package. Just recently -- I  
24 don't know whether Schaefer has it -- but  
25 most of the returnable packages have gone up

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1 anywhere from thirty to sixty cents a case.  
2 Most recently, and as the people from the  
3 home distributors have said, they featured  
4 these items without success, and they featured  
5 them because it is a good lead item. There is  
6 quite a difference in price between a non-  
7 returnable bottle.

8 I am very much surprised that the  
9 people in the supermarkets haven't been  
10 represented here. I know they are extremely  
11 busy, but the chances are that they are going  
12 to be hit with the bulk of the returns if such  
13 a law would be enacted. The bulk of the  
14 bottles and the bulk of the cans, and I have  
15 no idea where they might put them except in  
16 some container that would be outside their  
17 plant. Right now they have three or four,  
18 most of them do, for their refuse, and I  
19 wonder how many they would have to support  
20 right now, which is a tremendous added expense,  
21 and which they have to pay for. You pay by  
22 the amount of containers you have.

23 The other thing I wanted to say, I  
24 worked with Piels Brewery in Brooklyn, and  
25 there are a great many restaurant areas where

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1 a particular truck would go out with, possibly,  
2 one hundred fifty or two hundred cases of  
3 deposit bottles. Our quality control units  
4 had one man on the alert between the hours  
5 of ten and three in the afternoon when most  
6 of the drivers returned, that if the driver  
7 came in and he told us that he picked up  
8 roaches, which is very common, we couldn't  
9 permit those empties to be returned to our  
10 warehouse without first bombing out the truck,  
11 and we would pick up the phone and they would  
12 come over, and before we would touch the truck,  
13 we would have to bomb out that truck; and I  
14 have seen as many as a bushel basketful of  
15 roaches swept out of a truck. We take that  
16 truck out of service the next day and, then,  
17 hit it again when the truck was empty to make  
18 sure they hadn't hidden behind plywood, or the  
19 truck body or under wheel housing, and lay  
20 those cases aside so we wouldn't infestate  
21 our warehouse. This is what you are faced  
22 with, and don't let anybody kid you that that's  
23 not going to happen.

24 The gentleman that was up here that  
25 said there is no bottle that's completely empty,

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1 that's true. If you want it in your home,  
2 I don't want it in mine.

3 It wasn't too long ago when you left  
4 a supermarket -- and they are clean now because  
5 they are rid of this sort of stuff-- a woman  
6 would shudder, "Leave that outside, that carton,  
7 you might bring roaches in the house;" and they  
8 requested paper bags.

9 Now, here they are going to set our  
10 health standards back many years because people  
11 are slobs.

12 I hope you people look beyond the  
13 Oregon law and look carefully, and from the  
14 testimony that Mr. Adams has given to you,  
15 it apparently hasn't solved their problems  
16 and it has made a price difference to the  
17 consumer.

18 Speaking on behalf of the employees  
19 of Boeing Brothers, we have done a good job.  
20 About sixty per cent of us live in Suffolk,  
21 and we are not looking to sort bottles, and  
22 I am one guy that's not.

23 I want to thank you for your time  
24 and I hope, as a resident of Suffolk County,  
25 that you people will check this through

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1 carefully and, possibly, if another county  
2 wants to make an experiment in New York  
3 State, let them go ahead and, possibly, we  
4 will learn the mistakes that are made from  
5 them rather than we start it and effect your  
6 local industry, which we don't have too much  
7 of, by the way.

8 Thank you very much. [APPLAUSE]

9 MR. GRANT: Because of the lateness of the hour,  
10 we would like to conclude this Hearing. We  
11 haven't heard from the people, the store  
12 owners, the delicatessen owners. Could we  
13 have a showing of hands if there are any of  
14 those people here?

15 [WHEREUPON ONE HAND WAS RAISED.]

16 FLOOR: Can I say something? I have been  
17 here all day.

18 MR. GRANT: Just one minute.

19 Because of the lateness of the  
20 hour, we will hear from three or four more  
21 speakers. We do appreciate your comments  
22 today. You are a great source of education  
23 for the Committee. All comments will be  
24 viewed and weighed when the Committee makes  
25 a decision as to the passage of the law or

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1 abandonment of the law.

2 At this time, yes, we will hear from  
3 you now.

4 MR. FERRERI: Buddy Ferreri.

5 MR. GRANT: What organization are you from?

6 MR. FERRERI: Coca-Cola.

7 If you pile all the streams and  
8 bottles from the streams on Long Island, Mr.  
9 Flynn said he wouldn't be here for a month.  
10 Well, if he got all the bicycles and carriages  
11 out of the stream, he wouldn't be here for  
12 three months.

13 Most of us work mostly on a  
14 commission basis, and we try to get in these  
15 stops, like Italian restaurants, gas stations  
16 and country clubs, and things like this. We  
17 tell these people that there is a deposit on  
18 these bottles, these people do the easiest  
19 thing going. They put in a soda system. We  
20 don't get nothing for it.

21 The woman that was up here before  
22 talked about bundling leaves up. It doesn't  
23 cost anybody anything to bundle leaves up,  
24 but when we lose stops for twenty, twenty-five,  
25 thirty-five cases, we are losing money.

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1                   There is people who are teachers  
2                   and couldn't be here today. My wife has to go  
3                   in the hospital tomorrow. I have to be here  
4                   today because I am not going to have the money  
5                   to pay for the hospital next month if you  
6                   pass this law. It is the most absurd thing  
7                   I heard in my life.

8                   There is people here that could talk  
9                   circles around me. I couldn't carry on an  
10                  intelligent conversation with college students.  
11                  They talk about physics and everything else;  
12                  but they don't know nothing about where a  
13                  garbage can is.

14                  I went into the men's room about a  
15                  half an hour ago. It is loaded with papers.  
16                  Did the cans put them on the floor? Who put  
17                  them there?

18                  I think you will be hurting  
19                  everybody in this room if you would pass that  
20                  law. [APPLAUSE]

21   MR. GRANT:                   Thank you.

22   MR. WALSH:                  George Walsh, and I am an owner of  
23                                  a grocery store, along with my parents, on  
24                                  Shelter Island. We have been there for  
25                                  twenty-nine years.

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1 I am here today representing myself  
2 and three other independent stores on Shelter  
3 Island. One of the men I am representing owns  
4 store in East Hampton. He has talked to a  
5 number of store owners in the East Hampton and  
6 Southampton area, and a lot of them would have  
7 liked to have been here today and, at this  
8 time of the year, a lot of us are short of  
9 help, and I am representing the whole group.

10 We would like to very strongly  
11 protest the banning on non-returnable bottles.  
12 We can assure you the passage of this bill  
13 would cause undue financial stress to ourselves  
14 and all other independent stores.

15 We are further distressed that this  
16 occurs when our industry has been hit very  
17 hard by inflation and the energy crisis. Lack  
18 of space would force most stores to carry less  
19 brands, thereby hurting the smaller bottlers  
20 and distributors who can afford it least, along  
21 with us. It would be prohibitive to both the  
22 store and the distributor, the labor costs,  
23 and these increased costs would have to be  
24 passed on to the consumer.

25 In Eastern Suffolk where businesses

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1 depend upon summer and weekend residents for  
2 a majority of their business, we feel this  
3 bill would cause even more hardship.

4 This afternoon, most of the talk  
5 seems to be on the Oregon bill where things  
6 have worked. We are very much more concerned  
7 with the Vermont bill where forty-nine per  
8 cent of the beer business in the border towns  
9 of the state has been lost.

10 We do a great deal of our business --  
11 a great deal of our customers are residents of  
12 Shelter Island. However, they either come  
13 out weekends or they go back to the City for a  
14 couple of days, or they are summer residents.  
15 These people are not going to pay additional  
16 costs to us, but they are going to bring the  
17 things out from the City, from Nassau County,  
18 from New Jersey.

19 We are against it on a state basis  
20 because of that. We have a number of people  
21 who live in New Jersey, who come out every  
22 week. This would be a loss of business to us.  
23 It would be a loss of tax dollars for the  
24 County.

25 Further, it seems inconceivable to us

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1 that the Legislature would make such a move at  
2 this time when we have been working very closely  
3 with County officials, and we want to thank the  
4 officials. Gil Hanse has been out there.

5 I went to three meetings out there,  
6 and Mr. Daniels has been out there. We have  
7 had a lot of cooperation from the County.

8 Mr. Murphy, I believe it is, from  
9 Mr. Klein's staff has helped us in the energy  
10 crisis.

11 Every business on the east end has  
12 been off at least twenty per cent in business  
13 over the winter because of the energy crisis.  
14 In our own business, we could run ahead on the  
15 weekdays forty to fifty per cent and lose  
16 enough on the weekends to be behind or ahead  
17 just a bare ten per cent at the end of the week.

18 In the business we are in, it would be  
19 impossible for us to maintain the business  
20 without increasing the beer business fifteen to  
21 twenty per cent a year.

22 We mentioned before a figure of about  
23 one per cent. Cornell University states that  
24 store profits in New York State average to  
25 .61 per cent, six-tenths of one per cent. The

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1 costs of wages in a store of our size, they  
2 predict, would be about nine thousand dollars  
3 in a store just to sort these bottles. You  
4 have already exceeded what your profit is to  
5 run a store for the year.

6 Besides that, prices are up twenty-  
7 two per cent since 1973 on food items; the  
8 prediction is twelve per cent more. This  
9 means that each store is carrying more inventory.

10 Banks have just raised the prime rates  
11 again within the past couple of days, so it  
12 doesn't pay a person in an industry like this,  
13 where the profits are so tight, to borrow money  
14 to replace in the store.

15 We will be paying for these bottles.  
16 The burden will be carried by us, plus we will  
17 be carrying the burden of sorting these  
18 bottles.

19 We have, also, -- none of us -- none  
20 of the four of us here would possibly have  
21 space to store these bottles. We would have  
22 to build either an outside shed or another  
23 building.

24 Before we switched over pretty much  
25 to deposit bottles -- to non-deposit bottles,

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1 rather, in our own small store we had a  
2 twenty by thirty fenced in area to keep bottles  
3 in, and the wintertime we had to keep them  
4 covered. At that time, we were doing twenty  
5 per cent of the business we are doing now. So,  
6 that will show you the type of an area that a  
7 store on the east end of the Island will need  
8 in order to just store these bottles and cans,  
9 and we haven't even come into the health  
10 problem if these things are kept inside.

11 We find now that bottles are being  
12 returned to us -- Coca-Cola bottles we have in  
13 the store -- and as far as I know, every one  
14 of the stores that I represent is carrying  
15 Coke deposit bottles in at least three  
16 different sizes, and I can tell you from my  
17 own experience -- and we take in about seventy-  
18 five cases of soda, and the man sitting back  
19 there, I think, he can tell you we take one  
20 case of deposit bottles and cans, we might  
21 take ten of them. We have a couple of  
22 customers that will buy by the case and will  
23 bring it back by the case, but ninety per cent  
24 of the bottles that we do take back are  
25 brought back to us by the town crew and by the

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1 garbage men. These people are paying ten cents  
2 for bottles and throwing them on the side of the  
3 road. The town crew picks them up and brings  
4 them back when they are cleaning up or else,  
5 because they are too lazy to bring them back,  
6 themselves, the garbage man picks them up and  
7 holds them on the bottom of the truck until he  
8 collects twenty dollars worth of bottles, and  
9 then he will bring them back.

10 There, you are also running into a  
11 health hazard.

12 We have a very limited space and in  
13 my back room, I can stack cans, seventeen cases  
14 high. With bottles, maybe, you can go about  
15 seven cases high. We can carry about fifty  
16 per cent of the stock in our present stock space  
17 that we carry now, and this isn't figuring even  
18 where we would start to put the returns.

19 As Doug Warner, one of the people I  
20 am representing today, said, the only thing he  
21 could do would be to drop distributors. Who  
22 would he be dropping? The guy in Suffolk  
23 County tried to make a living. We would end  
24 up keeping a couple of the big soda people and  
25 a couple of the big beer distributors. We,

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1 therefore, wouldn't have the brands that the  
2 people want and, therefore, we would be forcing  
3 them even more to bring the products out from  
4 New Jersey, Connecticut or from the City, or  
5 wherever they are coming from.

6 Further, we find a good deal of our  
7 customers are boaters, and the people on the  
8 boats will not take bottles out, especially  
9 deposit bottles, because of the weight. They  
10 are all weight conscious and aren't going to  
11 take that much excess weight aboard the boat.

12 Also, at the present time on Shelter  
13 Island and in some other towns, bottles are  
14 banned from the beach because bottles get  
15 broken on rocks and jagged glass is there, and  
16 people get their feet cut on it.

17 These laws would have to be changed  
18 in order to allow the people to bring anything  
19 on the beach.

20 Also, we got into the detergent ban  
21 before, which all of us were very much for when  
22 it came out. I am sure that we are all happy  
23 that the bill was passed and with what has  
24 developed since. However, there is a very  
25 good indication from the detergent ban as to

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1 what will happen to us because to come onto  
2 Shelter Island, the only way you can get there  
3 is to take a ferry either from Sag Harbor or  
4 from Greenpoint, and any one of you who wants  
5 to talk to any of the men on the ferry there and  
6 ask them how many cases of detergents come over  
7 every week in cars, and I would say this is an  
8 education. We were against it because we have  
9 a water problem out there, and we just feel  
10 sorry for these people that have to import it  
11 because they can't do without it.

12 See, we lose money there and we end  
13 up selling items which we don't make a profit  
14 on.

15 Another point that was brought up by  
16 Doug, even if you have them stamped with a  
17 Suffolk County stamp on them, people are going  
18 to try to sneak in other cans and bottles.

19 Now, on a Saturday afternoon, you are  
20 busy, you have two or three clerks working  
21 there, you have people, eight or ten people  
22 lined up and a guy walks in with a boxful of  
23 cans, and he says he has fifty there. I can  
24 assure you, from my experience in the past,  
25 you are going to have cans that the guy brought

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1 in from Nassau and don't have the stamp on  
2 there. We are going to be paying out ten cents  
3 for something that the man didn't even pay the  
4 ten cents for in the beginning.

5 This is one of the problems on handling  
6 deposit bottles. In counting these things, if  
7 you have a kid to count them for you, in-  
8 evitably, it ends up with catsup bottles and  
9 vinegar bottles, all sorts of things would be  
10 accepted back and you would pay a nickel deposit  
11 on something that is worthless. You can't do  
12 anything with it but throw it in the garbage.

13 Our experience has been that people  
14 will not take the bottles back to a chain  
15 store as often as they will do independents  
16 because often a chain store puts them through a  
17 lot of rigmarole. The independent store has to  
18 provide service; otherwise, he will not be in  
19 business.

20 The businesses I am talking for  
21 today have been in business twenty-five to  
22 thirty years and he is in business because he  
23 gives business. If he brings them to an  
24 independent store, they have to take them;  
25 but if he brings them to a chain store, they

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1 will have to go through a rigmarole.

2 Also, someone brought up something  
3 before -- they are asking about conversions,  
4 and I believe when the Seven-Up man was up  
5 here and brought in the chain stores first and  
6 then the independent stores, or something like  
7 that, we would battle this and if it was done,  
8 we would go to the FTC immediately because,  
9 as far as I am it is illegal. We try to  
10 provide our customers with any service they  
11 can get in a chain store.

12 The answer to another question was  
13 brought up by a girl before. She said we  
14 force these items upon the person. I know in  
15 our store -- this is a very small store -- the  
16 last time we had to list an amount of items  
17 was when we went into price control and for  
18 the IRS, we went through and made lists of  
19 every item we had in the store and their  
20 price. We had close to four thousand items  
21 at that time, and I can assure you that is not  
22 by choice, but by demands of the consumer.

23 We find that more and more we have  
24 to go into convenience foods because the  
25 customer wants the thing that is most convenient.

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1                   The only other point I want to bring  
2                   up is that many of the Coca-Cola people  
3                   mentioned today about trying to convince  
4                   people on the programs that they put on with  
5                   the returnable bottles, in getting these  
6                   bottles back. We went along with that when  
7                   they brought those ads in. We put copies of  
8                   the ad up on the wall, put a display of deposit  
9                   twelve ounce bottles and displayed a -- no  
10                  display -- displayed the cans and put the price  
11                  on each of them and tried to show the people  
12                  they were saving about thirty-five to thirty-  
13                  seven cents. At that time, when the truck  
14                  came, he never had to worry about throwing in  
15                  any of the deposit bottles. The other cases  
16                  would be empty, and he would haul them out  
17                  of the back room.

18                  We actually came to the point where  
19                  we stopped encouraging people because people  
20                  were embarrassed by the fact that they were  
21                  too lazy to bring the bottles back and,  
22                  therefore, we would lose a customer.

23                  We talked about kids bringing  
24                  bottles back. They will just leave them lay  
25                  there. There were five kids that walked past

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1 two bottles today by the District Court. Like  
2 the man said, what do they want ten cents for  
3 when they need fifteen cents to buy a candy  
4 bar.

5 We really do have an educational  
6 problem and, obviously, the people that spoke  
7 here today for this feel that they are right  
8 and they, also, seem to feel that we are making  
9 money out of the business and we can afford to  
10 absorb it.

11 I am convinced that the small  
12 retailer, especially the small retailer on the  
13 east end, is in a similar position as the  
14 smaller towns in Vermont who are doing half  
15 of the amount of business, have gone through  
16 as rough a period as they can stand right now.

17 I think that pretty much covers  
18 what I have got to say.

19 MR. O'NEIL: Thank you, Mr. Walsh.

20 MR. CURTISS: Mr. Chairman and Committee, my  
21 name is Lloyd Curtiss. I am the Environmental  
22 Affairs Director for Pepsi-Cola.

23 We thought we would get a little  
24 equal time here today, although we might be  
25 jumping on the grocer's time. The grocer has

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1 a tremendous stake in this law.

2 One of my jobs is to appear at such  
3 hearings as this because we want to stay in  
4 business, and with this kind of legislation,  
5 we can hurt our customers, the grocers, and  
6 our bottlers.

7 I am with the national company  
8 located in Purchase, New York. I guess we are  
9 the only corporate headquarters of a large  
10 national company in the State of New York. I  
11 hope I am on somewhat familiar turf. Even  
12 though I come from the beautiful State of  
13 New Jersey, which I left at five-thirty this  
14 morning, and I will agree with you that the  
15 Long Island Expressway does seem to have its  
16 share of litter, but I think that, perhaps,  
17 this is because this is one of the main  
18 corridors to somewhere else. New Jersey is a  
19 corridor, too, and they have that corridor in  
20 those major traveled areas.

21 It is a matter of better litter  
22 pick up and if the state is in charge of that  
23 road, they have to get in and do a little  
24 better job, too.

25 Now, enough of that. I want to get

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1 to the point here, which is this particular  
2 legislation under consideration. We have, in  
3 Garden City, a Pepsi-Cola manufacturing plant  
4 which employs one hundred people at that  
5 location and we, also, have a manufacturing  
6 facility in Suffolk County which employs  
7 eighty people, and that is a canning facility  
8 which services these two counties, and this is  
9 a franchise, and this is the Pepsi-Cola Company  
10 that does all the business here on Long  
11 Island pretty much.

12 Now, the eighty employees at that  
13 canning plant will be affected despite some of  
14 the information we heard about Oregon. The  
15 canning companies out there, there was one out  
16 in Eugene that was owned by Coca-Cola. The  
17 name of it was Emerald. They went out of  
18 business about the time the law went in, and  
19 they have never really come back in business  
20 under the same management. The plant was sold  
21 off and picked up by another Coca-Cola  
22 franchisor.

23 I heard from the canning companies  
24 that, perhaps, five hundred people had been  
25 affected by the Oregon law within the state,

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1 and that can be the truck driver and many of  
2 the other industries which service the canning  
3 industry because cans really are quite hard to  
4 find in Portland, and that raises another thing.  
5 Many of us go to Oregon, but we never get out-  
6 side of Portland. Portland is a beautiful  
7 town and that is hemmed in by mountains. I  
8 think the next time some of us go to Oregon,  
9 we ought to go outside because there are a lot  
10 of places other than Portland. I think of  
11 Eugene again, and Salem. Those places raised  
12 their price on Pepsi-Cola anywhere from eight  
13 cents to ten cents on a six pack. Roughly,  
14 we worked with about a forty per cent increase.

15 Despite what was written, this kind  
16 of a system does cost more to distribute the  
17 product. In fact, one of the people that has  
18 been the spokesman in favor, I am sure that  
19 many in this room and some of them have left,  
20 because he used to be quoted wildly by the  
21 environmentalists although I consider myself  
22 one, too, which is Ted Gamble, and Ted Gamble  
23 is the President of the Pepsi-Cola Bottling  
24 Company in Portland, and Ted is in favor of  
25 the returnable bottling system, and he was not

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1 hurt as much as somebody would be hurt, such  
2 as our Garden City plant, because when the law  
3 in Oregon went in -- however, Ted still had to  
4 increase his truck fleet twenty per cent in  
5 order to go from that sixty-five level up to  
6 one hundred per cent returnable situation. Ted  
7 ran into a problem.

8 Oregon, like New York, New Jersey,  
9 Arizona, was in a critical state as far as  
10 allotment last February, and Ted ran out of  
11 gas and this, I guess, made him make some  
12 comments because I have heard some of Ted's  
13 comments as far as the Oregon law, which is a  
14 direct quote, and I will give this exhibit in  
15 to the secretary and several other people. This  
16 is quoting Ted Gamble:

17 "Were the Oregon law to be adopted  
18 in other states now, it will create financial  
19 havoc. Bottlers and distributors will be faced  
20 with using their fuel allocations for non-  
21 productive return trips rather than for  
22 distributing their product to their customers."

23 Ted has not been quoted much by some  
24 of the people that used to consider him the  
25 darling of the bottling business, and I think

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1 this may have something to do with it.

2 Now, there has been lots of other  
3 information used here today, and I know that  
4 the people that have used it came across it in  
5 good context and source, but I think we will  
6 all agree that Oregon's information is confusing.  
7 It depends on when the study was done.

8 I am not here to shoot down anybody.  
9 There are some things that almost make me want  
10 to jump out of the seat when I heard them said.  
11 The thirty to forty cent increase on a case is  
12 one of the things because Portland is a city  
13 that does over a million dollars a year. It is  
14 a Pepsi-Cola place. So their prices were  
15 frozen. That is not mentioned when Portland  
16 is quoted as an area where prices have not  
17 gone up, and the same situation exists with  
18 the Coca-Cola plant there; and we are toe to  
19 toe on pricing out there, and prices have  
20 stayed low because they were frozen originally  
21 and, also, it is a very competitive situation.  
22 However, I think that they will probably be  
23 going up if they have not already in Portland,  
24 because sugar has gone from about, I guess,  
25 sixteen dollars a ton when this law went in,

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1 to, now, about twenty-four a ton.

2 So, this is the experience that is  
3 happening in the food industry and the grocery  
4 store, and I will not kid you. We know, and  
5 I think the man from Shelter Island will  
6 certainly agree it is a fact the customer has  
7 to pay for these extra charges, and I guarantee  
8 you that this particular legislation, if it is  
9 passed in this County, is going to cause  
10 economic harm to a number of people and, also,  
11 it eventually will come out of the consumer's  
12 pocket and we could argue about that, I know,  
13 and I can also present facts; and we would be  
14 glad to work with you at any time on this  
15 information, and our Garden City plant will be  
16 glad to cooperate, too, on any information that  
17 you want.

18 I don't want to sound negative  
19 completely on this. We are just trying to  
20 defend our affairs, shall I say, a little bit.

21 On the positive side, we have worked  
22 with Reynolds Aluminum. We have our own  
23 recycling facilities in the plants in the City  
24 that are co-owned. In the Garden City plant,  
25 they were one of the first people that recycled

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1 glass. In fact, they were into it almost  
2 before our company was, before the environmental  
3 people, which I head, was founded two and a  
4 half years ago. So, with that, I think I will  
5 sit down and let a grocer or two talk. I  
6 appreciate very much the time and if there are  
7 any questions, Doctor, that you may want to  
8 ask?

9 DOCTOR FISCHER: Yes, I just had one. Since you are  
10 familiar with the prices, the price rise in  
11 Oregon, the latest information that I have  
12 indicates that the average price in Oregon  
13 for soft drinks went up from ninety-two cents  
14 a six pack to ninety-nine cents a six pack for  
15 twelve ounce soft drinks. They, also, compared  
16 those with random prices taken in the State of  
17 Washington and found that those had gone from  
18 an average of ninety-two cents to an average  
19 of one dollar three, and they have, therefore,  
20 concluded that the price in Oregon is still  
21 cheaper.

22 MR. CURTISS: I have not checked the prices in  
23 that back boondock area. A tremendous increase  
24 in price of raw materials has taken place in  
25 the last few months. The prices have been in

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1 Oregon for more than a year.

2 DOCTOR FISCHER: These were the '72 to '73 prices,  
3 and I only raised the question because it  
4 seemed to me that the example that has been  
5 stated, it might not be fair to conclude that  
6 Oregon's price increase is due to the ban on  
7 non-returnable bottles.

8 MR. CURTISS: I didn't say anything about the beer  
9 industry in Vermont and what happened there  
10 with the new legislation, and we just recently,  
11 the soft drink industry, just recently, raised  
12 their prices in the last three or four weeks  
13 up there, and we don't like to raise prices  
14 because that is not good. We don't get rich  
15 that way, frankly. We would rather compete  
16 and we have done it all the time.

17 I have worked for a number of  
18 companies, and I am proud to work for the  
19 beverage industry. They are a fine bunch of  
20 people and they are honest people, and I don't  
21 think I have heard anybody here from the  
22 industry use wrong facts. I will tell you,  
23 they all do their homework and they do their  
24 work well.

25 I am amazed, sometimes, at the people

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1 from the scholastic side -- and I am not  
2 criticizing. Bruce Hannon was quoted here  
3 earlier, and some of his information which,  
4 a year ago, was somewhat acceptable, today it  
5 is highly doubtful that that earlier Hannon  
6 study would even be used as credible at this  
7 point because even Hannon has looked at some  
8 of his earlier work and he should have the  
9 prerogative of changing some of his facts,  
10 too. Hannon did say in his earlier studies  
11 that sixty thousand people would be displaced,  
12 probably, in the container industry and sixty  
13 thousand six hundred other people who had been  
14 displaced would probably get jobs. In the  
15 container industry, you get paid about six  
16 dollars or so average wage an hour; whereas  
17 the people who replace them, the people who  
18 are, "schlepping" around the bottles -- to use  
19 a word -- the cases from the back of the  
20 store to the front -- and most of the men are  
21 highly skilled people and they get paid this  
22 six or seven dollars an hour, and they really  
23 don't want to start handling bottles again.  
24 They did that when they were somewhat younger  
25 than the kids of today.

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1 DOCTOR FISCHER: I think there is some confusion  
2 among some of the information -- I was asking  
3 you here about this specific one because I  
4 heard prices have gone up in Oregon; but if  
5 they have also gone up by an even greater  
6 amount in Washington, then it would seem to be  
7 unfair to presume that it had anything to do  
8 with the ban on non-returnable bottles. Do  
9 you have information on it?

10 MR. CURTISS: We will be glad to give you any  
11 information you want on pricing that is  
12 available to us, and I know that in the area  
13 of the soft drink people, we all want to work  
14 with you people because the smarter you get  
15 about our business, I feel, honestly, the  
16 more realistic you will get about passing  
17 laws.

18 I want to say, in conclusion, we  
19 do, in our department, have some positive  
20 programs. We work with the Scouts and give  
21 them almost a million plastic litter bags  
22 every year for their "Clean-Up America Program".  
23 We, also, work with the high school ecology  
24 club, which has a hundred thousand members  
25 all over the country, and I hope some of the

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1 kids that were here today have benefitted  
2 from that because we really try to look at  
3 the positive side of this whole litter and  
4 solid waste system problem.

5 Let me just say, in conclusion, that  
6 so far this year, since January 1st, the  
7 following states have looked at Oregon type  
8 laws, similar to what you gentlemen have  
9 under consideration, and have turned this  
10 legislation down: California, Minnesota,  
11 Connecticut, Kentucky. In fact, they had two  
12 versions of the Oregon law. Tennessee,  
13 Nebraska, West Virginia, Mississippi,  
14 Colorado, Virginia, North Carolina, Kansas,  
15 Georgia, Oklahoma, Indiana, Iowa, Maryland,  
16 Idaho.

17 Now, this information is about a  
18 week old, and I assume that there may be several  
19 other states that have looked at this type of  
20 law and have found that their state, perhaps,  
21 has nothing in common with the State of Oregon  
22 and, perhaps, with the State of Vermont.

23 Thank you very much. [APPLAUSE]

24 MR. O'NEIL:

Thank you very much, Mr. Curtiss.

25 At this point, I think we will

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1 conclude our meeting. I want to thank,  
2 personally, each and every one of you that  
3 attended and participated on behalf of the  
4 Suffolk County Legislature. We are, I can  
5 assure you, vitally interested in what this  
6 proposed law will mean to Suffolk County  
7 and to its residents, to its businesses,  
8 consumers and its environment.

9 We will be meeting with Doctor  
10 Fischer, Commissioner Flynn, representatives  
11 of your industry to work out an economic  
12 impact statement and any other alternative  
13 solution to our litter and solid waste problems.

14 Unless anyone has something else  
15 to add, I will adjourn the meeting.

16 FLOOR: Before I address myself to Doctor  
17 Fischer -- my name is Emilio Pellegrino, and  
18 I am President of the Soft Drink Association.

19 You keep bringing up Oregon, Mr.  
20 Fischer, and you keep bringing up Vermont.  
21 Did you ever go to Vermont? Did you ever  
22 study the loss these people are taking over  
23 there?

24 DOCTOR FISCHER: I have been to Oregon.

25 MR. PELLEGRINO: I believe, in this litter thing --

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1 and I made seven trips there and I contacted  
2 the roadstands, the mom and pop stores, the  
3 general stores -- and they were all discussing  
4 it. You know what is happening over there?  
5 The people are bringing in the cans, they are  
6 bringing in bottles, and all it is doing is  
7 bringing roaches, rodents and what not. Now,  
8 these people are getting so disgusted that  
9 they are throwing it out.

10 If you were to go to the State of  
11 Vermont today, you would see that practically  
12 all of the mom and pop stores are closing up  
13 because of this hardship that was imposed on  
14 these people. From what I understand, it is  
15 coming up for legislation again, and they are  
16 going to vote to bring back the cans and the  
17 non-deposit bottles so that these little mom  
18 and pop stores can exist.

19 The reason I picked Vermont is in  
20 1933, during depression years, my mother and  
21 father had nothing to eat. I was a sixth  
22 grade drop-out who had to go to the CC's, and  
23 I spent two years in the CC's up in Vermont  
24 building roads, and this is why I have a soft  
25 spot for Vermont. This is why I made seven

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1 trips over there and if this keeps up, you  
2 can only have nothing but a ghost town over  
3 there.

4 Oregon -- I have my own reservations  
5 about Oregon -- but what the government did  
6 over there on some things, I don't agree, and  
7 if you people were to go to Oregon, you would  
8 find out that everything ain't peaches and  
9 cream. You will find out that the people are  
10 against these here, that they want the throw-  
11 away bottles. It is just a few politicians  
12 who want it there and want to make themselves  
13 a name.

14 Sure, it's easy for you, Doctor --

15 DOCTOR FISCHER: [INTERPOSING] We did go to Oregon.  
16 I went to Oregon, and one of the reasons that  
17 we went to Oregon --

18 MR. PELLEGRINO: [INTERPOSING] Did you go throughout  
19 the State of Oregon or a little portion of  
20 Oregon?

21 DOCTOR FISCHER: Will you let me finish?

22 One of the reasons we went to  
23 Oregon was because it was the only state in the  
24 nation that had a law that had not been passed  
25 at this point. We went to Oregon and we talked

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1 to as many people as we could. We went to  
2 stores. We talked to consumers, we talked to  
3 people in the back rooms, and I can't speak  
4 for the entire State of Oregon -- you can't  
5 cover the entire State of Oregon in a short  
6 time -- but my impression was, as I said in  
7 my opening remarks, yes, there are problems  
8 and I think the study showed there are some  
9 people that will suffer more hardship than  
10 others, but my impression of Oregon was that  
11 even the people that said it is a pain in the  
12 neck, the people still supported it. People  
13 in the back room stacking up bottles, when we  
14 asked them, "What do you think of this," they  
15 said, "It is really a pain in the neck, but I  
16 am glad they did it."

17 Some people said, "It is a pain in  
18 the neck, and I wish they hadn't done it."

19 If it is no more than a pain in the  
20 neck, it is one thing; but if it is a real  
21 catastrophe, no one wants a catastrophe.

22 MR. PELLEGRINO: You didn't talk to the layman like  
23 myself. Like Mr. Flynn had said before -- I  
24 didn't digest his opening remarks because Mr.  
25 Flynn didn't go to the little man, he didn't go

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1 to the storekeepers. He only -- what he  
2 heard from these college kids -- these  
3 college kids were told to go out and get  
4 X amount of petitions, and they brought their  
5 petitions in, and this is what the public  
6 said.

7 Doctor Fischer, if you want a  
8 hundred thousand signatures, I represent  
9 two hundred fifty distributors. I am sure  
10 at your next meeting, I can have a hundred  
11 thousand signatures or petitions, maybe two  
12 hundred thousand, whatever your heart desires.

13 Getting away from that, I employ  
14 four men. If I have to go into the store and  
15 pay them ten cents a can, my four men, between  
16 their wives and themselves, they have fifteen  
17 in the family. I have no alternative but to  
18 go out of business.

19 At the present time, I have four  
20 trucks, two vending trucks. I have a vending  
21 route in Central Islip which I am losing money  
22 on every day. I sell cans over there for  
23 twenty cents, and the reason we are in there  
24 is because, at one time, they had a couple  
25 of machines and the couple of machines was

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1 drawing nothing but mice, rodents and  
2 everything. We didn't -- to this date, we  
3 got a five year contract, and we put in ninety  
4 thousand dollars worth of equipment. That  
5 ninety thousand dollars worth of equipment  
6 ain't making me a dime because I have a  
7 contract that says I will only charge twenty  
8 cents, and I am taking a very bad loss there.

9 If you people want to decide that  
10 you want to go for this here, you won't only  
11 put me out of business, but you will, also,  
12 hurt a lot of my distributors here. The  
13 mark-up ain't as good as you people think it  
14 is, neither the profit to the Coca-Cola Company  
15 or the beer company.

16 The people fail to realize that we  
17 have a labor problem today. I am paying  
18 through the nose for labor. I pay about  
19 twelve hundred dollars fringe benefits alone.  
20 I have a contract coming up in June which, I  
21 understand, is going to be about another  
22 fifteen per cent more fringe benefits.

23 I can't stay in business, and if you  
24 people keep doing what you want to do to my  
25 distributors, they cannot stay in business

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1 either. I, definitely -- I have no alternative  
2 but to go out of business.

3 As one of you gentlemen brought up,  
4 on the Committee, about litter, it isn't us  
5 that put the litter there. It is these young  
6 kids and whoever. When I moved out here  
7 twenty-six years ago -- I come out of the Army  
8 twenty-eight years ago. I lived in a furnished  
9 room two years and I came here twenty-six  
10 years ago, and I lived in Valley Stream. I  
11 lived there for about twelve years. In that  
12 time, when the garbage men came around, I had  
13 to separate my paper, I had to separate my  
14 bottles and I had to separate this. If I  
15 didn't do this, we would get a fine.

16 So, you see, gentlemen, the answer  
17 isn't with the bottling companies. The answer  
18 is with you people. You make tougher laws  
19 for these people, to educate these people how  
20 to separate the bottles, how to separate the  
21 paper and how to do this here. Sure, the  
22 easy way was on the bottling companies. They  
23 have the most litter on the roads.

24 Did you ever ride the Long Island  
25 Expressway? I have two brand new trucks. The

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1 first month that I had them, I had two  
2 broken windshields from the gravel trucks  
3 that were spilling gravel all over the road  
4 and broke two of my windshields. I am ashamed  
5 to go to the Ford people and tell them that  
6 my windshields are broken.

7 So I say, gentlemen, think about this  
8 here bill because it's going to be a very great  
9 hardship on my brother distributors, myself,  
10 and God knows how many other people. Right  
11 now, all the mom and pop stores are suffering  
12 the most. If you pass a bill on that, you  
13 will destroy your mom and pop stores and,  
14 right now, the back bone of this County, is  
15 your mom and pop stores.

16 Thank you, gentlemen.

17 MR. O'NEIL: I will recognize one more speaker  
18 before we adjourn.

19 MR. FRETWELL: Marvin Fretwell, President of  
20 Bay Beverages, Incorporated. We are wholesale  
21 beer distributors in Central Islip, and I had  
22 a statement that I wanted to read to you but,  
23 unfortunately, everybody has made a good  
24 point.

25 The only point I want to make right

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1 now is that there seems to be a lot of  
2 people here who have a lot of things unsaid.  
3 I think it is rather disappointing that the  
4 majority of the Committee, the Environmental  
5 Committee in Suffolk County, have chosen not  
6 to sit in and listen to what these people have  
7 to say. It seems like we have the same  
8 gentlemen who are here now who meet with us  
9 on occasion to hear what our problems are.

10 I want to thank you gentlemen, and  
11 I wish you'd pass on the information to those  
12 people who had to leave that we are busy people  
13 and we have devoted our day's pay to come here  
14 and listen to our problem.

15 Thank you.

16 MR. GRANT:

17 The meeting is concluded. I, too,  
18 come from Central Islip. I was born and  
19 brought up there, and years ago when I was a  
20 kid, you tried to make a dollar every chance  
21 you got. One of our means of getting a buck  
22 was collecting bottles. In those days, the  
23 stores, everyone knew each other and we used  
24 to go to one particular store, and we wouldn't  
25 take the bottles in until the man was busy.  
When he was busy, he would say, "Mike, take

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the bottles and put them in the shed."

You talk about trippage. That one  
bottle got about fifteen trips.

[WHEREUPON THIS HEARING WAS THEN CONCLUDED  
AT 4:45 P.M.]

oOo

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