

January 20, 1977
11:00 a.m.

MINUTES OF THE MEETING
BUSINESS AND INDUSTRY COMMITTEE
MONTANA STATE SENATE

The meeting of the Business and Industry Committee was called to order by Chairman Frank Hazelbaker on the above date in Room 225, Treasurer's Office, of the State Capitol Building at 11:00 a.m.

ROLL CALL: All members were present with the exception of Senator Mehrens who was excused.

SENATE BILL 69. "An Act To Require The Use Of Reusable Beverage Containers For Beer And Soft Drinks And Providing A Delayed Effective Date."

Chairman Hazelbaker introduced Senator Chet Blaylock, Chief Sponsor, of Senate Bill 69.

Senator Blaylock stated this is the second time he has tried to pass this bill. He stated he received a letter from the Flathead Industries in Kalispell stating that there were many handicapped people involved in the recycling center. However, he stated they can do many more things other than recycling cans such as book binding, fixing cars, etc. This bill, if passed, will not be in effect until 1979. He thinks they will have more employment jobs and opportunities, not less. He stated only one in seven aluminum cans are recycled. We should stop wasting \$185,000.00 per year cleaning up roadways. He doesn't say that this bill will stop all litter but he thinks it is a beginning.

PROPONENTS TO SB 69

Senator Blaylock then introduced Mae Nan Ellingson, representing the Montana Student Lobby. She spoke in favor of SB 69. Her testimony is attached.

Senator Blaylock then introduced Mrs. Field who brought some students from the Missoula 4-H Group. They represented three schools from Montana and ranged from 10-15 years of age. The following gave short statements in favor of SB 69.

Dana Field - Rattlesnake School in Missoula
Candace Grimes - Rattlesnake School in Missoula
Jennifer Rose - 6th grader in Missoula
Karen Vrett - 7th grader Rattlesnake School in Missoula

Christina Cattlefoam - 6th grader Rattlesnake School in Missoula
Renee Closer - sophomore at Loyola Sacred Heart in Missoula
Marley Field - 5th grader at Rattlesnake School in Missoula

Liz Merrill of the Environmental Information Center stated that with this bill there was an increase in jobs in Oregon. 11,200 jobs were lost when the throw away bottle came out. In Montana the Anaconda Aluminum Company would be affected very little. SB 69 would encourage more bottling in the State. She stated recycling centers need not shut down. They could serve as centers to bring the bottles back to.

Bob Keesley, Montana Information Center stated the concerns they have. He stated they didn't want to see people lose their livelihood as a result of this bill; however, the disabled would be subsidized under other programs. To assume that the handiworks of the disabled would disappear would be completely wrong. A recent study coming out of Oregon indicates that the recycling centers have picked up since the passage of the bottle bill. He urged the committee to give this bill a do pass.

OPPONENTS TO SB 69

James W. Murry, Executive Secretary of the Montana State AFL-CIO spoke in opposition to SB 69. His testimony is attached.

Joe Crosswhite, International Union of Operating Engineers stated that they have come to the conclusion that this bill would shrink jobs in this State further. For that reason speaking for the operating engineers, he would like the committee to give this bill a do not pass.

Marvin Torgenson, representing the Aluminum Workers and Trades Council spoke in opposition to the bill. He represents 715 employees in the Aluminum Reduction Plant in Columbia Falls. He doesn't believe that this bill would solve the litter problems. It would be a loss of employment of 20-25% in Columbia Falls.

Curtis O. Peterson, Aluminum Workers Local 320 stated that he opposed SB 69.

Frank Capps, Super Save Markets in Helena stated he doesn't believe that the local grocery stores are the place to drop this waste and filth. In the last 25 years he has managed the store in Helena and has found various things in the bottles taken in. He stated that inside these bottles can be found bugs, mice, ants, flies, etc. The average housewife makes at least four stops at different grocery stores. At home they are then asked to set up four sacks so that they can return them to the right store. He thinks there is a problem of filth and trash, but he doesn't think the grocery stores is a place to dump it. He wonders if they realize how much it is going to cost to build more rooms to store the bottles, cans, etc.

Mr. Don Harrington, operator of Harrington Pepsi Cola Bottling Company in Butte spoke in opposition of SB 69. His testimony is attached.

Mike Chaffin, representing Flathead Industries, Kalispell, showed various items which are taken to the recycling center. These items included license plates, newspapers, plastic bags, etc. Passage of this bill would eliminate recycling centers. He feels that this bill should not be passed until it is clearly shown that the bill would preserve valuable resources and remove litter to a greater extent.

Marvin Richlen, Montana Recycling, Missoula, stated his problem is that there is 75 cents profit from every \$1.00 of aluminum cans. The amount of energy savings is 1/5 of 1%. It is a very small amount of savings. A case of returnable bottles weigh about five times as much as aluminum cans. Another thing that has been said about the bottle bill is that it would reduce waste. He stated the amount of solid waste would probably increase because it would require additional packaging. He urged that the committee give this bill a do not pass.

Tom Winsor, Chamber of Commerce, brought with him a chart. It is a survey of small businessmen in various counties. Approximately 85% considered Government regulation to be their most urgent problem. He believes this bill would be useless.

Al Doughtery, Attorney and Lobbyist for the Montana Beer Association stated that the bottle bill is both controversial and emotional. He stated Oregon is finding its solution to its litter problem is a political illusion. He recommended SB 69 receive a do not pass from this committee.

Senator Blaylock closed. He stated that up until 1955 all they had in the stores were bottles and they got along very well. He said he went down to the local Safeway store and all the pop packaged in cans were \$1.55 while the 12-oz. Pepsi in the returnable bottle was \$1.09. Add 30 cents for deposit and it would be \$1.39 still cheaper than the one-way throw away by quite a bit. Senator Blaylock asked the committee to give SB 69 a do pass.

Since everyone who came to make a statement did not get the chance, Chairman Hazelbaker stated there would be 5 more minutes for the proponents and opponents to the bill.

PROPOSERS TO SB 69

Dave Hill, Student Body President at the University of Montana spoke in favor of SB 69.

Mrs. Field stated she thinks the opponents are possibly confusing the issue. The bottle bill is a small step in the right direction. She thinks this bill would create more jobs.

Joe Murphy stated he was in favor of the bill. His testimony is attached.

Willa Hall with the League of Women Voters did not make a statement, however, she did hand in testimony in favor of SB 69, which is attached.

Bill Schneider, Department of Fish and Game, stated he was in favor of the bill. His testimony is attached.

Bob Rogowski stated he is an ex-Oregonian and he knows the bill works. He stated after the first six months in Oregon, after the bill had passed, 81% of the litter on the side of the road was decreased.

OPPONENTS TO SB 69

Senator Frank Dunkle did not make a statement, however, he is opposed to SB 69. His testimony is attached.

Senator Kolstad asked Senator Blaylock, he stated that more jobs would be created. Could you tell me what those jobs are? Senator Blaylock answered that jobs would be created in the area of transportation, warehousing, sorting of bottles, and others.

ADJOURN: There being no further business, Chairman Hazelbaker adjourned the meeting at 12:30 p.m.



FRANK W. HAZELBAKER, Chairman

DATE

1/20/77

COMMITTEE ON

Business/Industry

BILL NO. SB 69

VISITOR'S REGISTER

NAME	REPRESENTING	Check One	
		Support	Oppose
Darlene Grove	League of Women Voters	X	
LeAnn - Vaughan MacKenzie	Housewife	X	
Kelly Hall	League of Women Voters	X	
Mae Ann Ellington	Montana Student Lobby	X	
Gregory C. Oliphant	U of M Legislative Comm.	X	
Jefferson F. Estates	U of M Student Action Ctr.	X	
Liz Merrill	Envir. Info. Ctr.	X	
Bob Kiesling	" " "	X	
Dave Hall	Associated Students U of M	X	
Douglas Jenkins	RETAIL GROCERY - KELLER ENTER.		✓
Tom Harris	Montana Board		
Elizabeth Ham	Sen. Pat Regan	X	
Stephen M. Williams	Anacoa OA Co.	X	
Karen Ramey	Housewife		X
Margaret S. Pichler	Deer - Don Food Dist. Assn		X
Frank Coyle	Super Save Match Inc.		X
Mary Billingsley	Citizen of Missoula		✓
Bob Rosawski	Citizen of Missoula		X
Ken Wheeler	Wyo Mart Coca Cola		X
Jim Wylder	Great Falls Coca-Cola Bottling Co.		X
Lawrence O. Holley	Aluminum Workers International Union		X
James W. Mabrey	Mont. State AFL-CIO		X
Clinton O. Johnson	Aluminum Workers Local 320		X
Ron Louieall	Aluminum Workers Local 320		X
Marvin J. Jorgerson	Aluminum Workers Trades Council		X
A. J. Ferguson	Gl. Falls Coca-Cola Bottling Co.		X

DATE

1-20-77

COMMITTEE ON Business & Industry

BILL NO. 515 64

VISITOR'S REGISTER

NAME	REPRESENTING	Check One	
		Support	Oppose
Bob Ferguson	Great Falls Coca-Cola Bott.		X
Edie Glicker	Fred Briggs Dist Co - Billings		X
Earl Shenson	Earl Shenson, Missoula	X	
Ed Wilson	Billings Chamber of Commerce		NO POSITION
Frank Deagle	Mont. Senate		✓
Sam Rosen	Rosen Dist. Helena		X
Beth O'Brien	Glasgow Dist. Glasgow	X	
George St. Gellinger	Conrad, Mont Taylor Dist	X	
Pat Capita	Dillon Mt.	X	
Gilbert Housen	KELENA Mont.		X
John Clausen	Helena, Mont.	X	
Robert S. Zucconi	Helena, Mont.	X	
James C. Wair	Great Falls Mont	X	
John A. Giacomo	Battle, Mont	X	
Charles J. Edge	Great Falls Mt		X
Ben Blahey	Dept. of Health & Env. Sci	X	
John Blahey	Bonson Mt. - Coca-Cola	X	
John Blahey	Helena, Mont Coca-Cola	X	
Charles Crouse	Coca-Cola Lewistown	X	
Mark Herrington	Pepsi Cola - Butte	X	
Chris S. Passay	Pepsi - Cola. Great Falls	X	
Chris Passay	Pepsi - Great Falls	X	
Arleen Sholkinis	Triple C Dist. - Shelby	X	
Stanley Itaekis	Shelby Dist. - Shelby	X	
Mark C. Rulke	Montana Recycle, Missoula	X	
Mike Chaffin	Flathead Industries Kalispell	X	

DATE 1/20/77

COMMITTEE ON

Business & IndustryBILL NO. SB 69

VISITOR'S REGISTER

NAME	REPRESENTING	Check One	
		Support	Oppose
John W. Crawford	Flathead distributor	Kippell meat	X
Karen L. Casaca	Health Food Distributor	Kippell meat	X
Jerry Beach	Borrowed Time Newspaper		X
Laurel Desmet	Montana citizen		X
Richard Steiner	Montana Citizen		X
Jackie Hanson	Montana Student Lobby		X
Connie Smith	Leg. Side		
Lauren France	Intern - Al Daugherty		X
Al Daugherty	Montana Beer Wholesalers Assn.		X
Tony Barron	Can Manufacturers Institute		X
Joe Murphy	SEIF		X
Bill Schneider	Dept. of Fish & Game		X
Marilyn Dunkle	myself		✓
Bill Pidgeon	Pepsi Cola Kalispell		X
Vincent Thand	Pepsi Cola Missoula		X
Frank Bowens	Round up pepsi col-		X
John Scott	Pepsi of Belgrade		X
Jeanne Porte	self		X
Jim Jewell	Mini Mart Food Stores		X
Chris Field	self		X
Tom Gudwin	myself		X
Jackie Johnson	Sen Tom Kowal		T
Pam Williams	LWV		X
Wanda Olsen	Gregory Distributors		X
Louis R. Mills	self		X
Raymond A. Omlesker	Super Save Markets Inc. Helena		X

(Please leave prepared statement with Secretary)

ROLL CALL

Business & Industry COMMITTEE

45th LEGISLATIVE SESSION -- 1977

Date 1-20-77

Montana Student Lobby

MAE NAN ELLINGSON, LOBBYIST
CARRIE HAHN, ASSISTANT
JACKIE HANSON, ASSISTANT

BOX 4217
HELENA, MT 59601

TESTIMONY BEFORE SENATE BUSINESS AND INDUSTRY COMMITTEE
SENATE BILL 69
MONTANA STUDENT LOBBY
MAE NAN ELLINGSON, LOBBYIST

Mr. Chairman, members of the Committee. I am Mae Nan Ellingson and I represent the Montana Student Lobby, a coalition of the 24,000 students enrolled in the University of Montana, Montana State University, Eastern Montana College, Northern Montana College, Western Montana College and Montana Tech. Since this is the first time I have appeared before your committee, I would like to take a minute to explain how the Montana Student Lobby comes to take a position in favor of a bill like the returnable bottle bill before you today.

A scientifically selected random sample of students at each of the units was told that legislation to require the use of reusable beverage containers would be introduced in this session of the legislature. They were then asked whether they would be in favor of such a bill. They were then asked to rank the priority of the legislation in comparison to other legislation mentioned in the survey. The Lobby is guided by this student poll.

After the budget for higher education, environmental issues were ranked as the most important issue facing students. Ninety-five per cent (95%) of the students polled were in favor of the returnable bottle bill and its passage was given a high priority by students.

This is significant for several reasons: Such a high level of support from what must be the largest single group of pop and beer drinkers suggests a high level of compliance and a success for the legislation.



Box 1176, Helena, Montana

ZIP CODE 59601

JAMES W. MURRY
EXECUTIVE SECRETARY

LUNDY SHOPPING CENTER
MISSOULA HIGHWAY

REMARKS OF JAMES W. MURRY ON SENATE BILL 69, HEARINGS OF THE SENATE BUSINESS AND INDUSTRY COMMITTEE, JANUARY 20, 1977

I am appearing on behalf of the members of the Montana State AFL-CIO, who directed our organization in convention last summer to oppose the unnecessary elimination of jobs through legislation such as the type we're dealing with today. I have enclosed a copy of our resolution for your information and consideration.

You may think it odd that someone who continually finds himself caught in the middle of environmental battles would appear before you today in opposition to Senate Bill 69. On its face, this bill sounds like a meaningful and progressive attempt to deal with a critical problem in our country.

Litter has reached crisis proportions in our state and nation. Everywhere we go, we're accosted by the unsightly accumulation of paper and packaging remnants, food, household trash, plastic products and cans and bottles of all kinds.

Senate Bill 69 deals with only one element of the litter problem -- the beverage container industry -- and it is our position that singling out one component of the litter problem represents a narrow, piecemeal approach to a much larger problem.

Metal containers constitute roughly 16 per cent of highway litter. Yet, you could wipe out thousands of jobs with the passage of this fragmented approach to the problem of solid waste disposal.

Consider the human side of this problem we're dealing with today. Ever since Arthur Burns and Richard Nixon took control of the economic policies of our nation, we have been staggering under the oppressive weight of seven, eight and nine per cent unemployment rates. While unemployment rose, the value of the 1968 dollar bottomed out at 60 cents last year.

Needless to say, these inhumane economic policies have had a devastating impact on American families. Once proud and productive workers are now standing in line to receive their unemployment checks instead of their paychecks. Jobs have become precious commodities, and members of the working community are now in competition with one another for the few that are available.

In the midst of this economic upheaval comes a bill that could boost Montana's 7 per cent unemployment rate even higher. For the most part, workers in the metals and glass container industry have devoted their lives to their craft. If the demand for their skills were suddenly eliminated or reduced through the implementation of ban-the-can-type legislation, where would these people go? They know no other skill. After years of service and productivity, these workers deserve more than a weekly unemployment comp check.

Committee Secretary

MR. CHAIRMAN AND MEMBERS OF THIS COMMITTEE,

A recent nation-wide poll conducted by the Federal Energy Administration found that 73% of those polled favored a mandatory deposit system for beverage containers. A poll in Oregon after its ban on throwaways was enacted, indicated that 91% of the state approved of the law. Yet despite this overwhelming sign of approval, attempts to pass bans on nonreturnables are regularly defeated.

Nonreturnable bans have always been a good idea from a litter reduction and resource recycling standpoint, but our recently recognized energy predicament makes such laws even more essential. The U.S. Environmental Protection Agency reports that banning nonreturnables across the United States would save 18.2 BILLION Kilowatts of electricity - enough to supply the electrical needs of 9.1 million relatively affluent Americans annually.

That potential savings looks especially attractive to Westerners who keep hearing about the "need" to build giant coal fired power plants in the Northern Great Plains and other wild, clean, primitive areas.

However, breweries, glass and can manufacturers, aluminum processors, supermarket chains and soft drink companies prefer to continue producing and distributing 60 to 80 Billion throwaway beverage containers every year. That's about one throwaway per day, year around, for every U.S. citizen - many of which end up in landfills, along highways and wilderness trails, in lakes and streams and on beaches or other recreational areas.

A considerable amount of energy goes into producing throwaway containers year after year. We consume energy to produce

Miller Hall

LEAGUE OF WOMEN VOTERS OF MONTANA
Testimony on SB 69

Jan. 20, 1977

Throw-away cans and bottles are an energy luxury we can no longer afford. If any of you have listened to or taken advantage of the many briefings on future energy needs and resources of Montana, you can only draw one conclusion -- we must start conserving and reusing in every way we can. Quoting testimony by William Coors, president of the nation's fourth largest brewery, "We aren't going to have the materials in which to market our product, if we don't start getting our containers back."¹ One throw-away can or bottle uses four to six times more raw materials than one returnable bottle refilled 15 times, the current national average.

Conserving energy is another important aspect of this Bottle Bill. 224 trillion BTUs are wasted each year in the manufacturing of throw-away beer and soft drink cans and bottles. This is enough energy to furnish all the electrical energy needs of New York and Chicago residents for an entire year. One throw-away can or bottle requires 3 times more energy to deliver the same amount of beverage than a returnable glass bottle used ten times (which is less than the national average number of returns). Refilling returnable containers uses much less energy than recycling and refilling an aluminum can.

The multi million dollar advertising programs to control litter simply have not worked and as tax payers, consumers are footing the bill for collection and disposal of throw-aways.

Fear of job loss due to returnable bottles and cans is unfounded. All studies indicate there would be a net increase in employment. While there would be a loss in the disposable container manufacturing industry, there would be an increase in jobs for small bottlers, distributors, truckers and retail clerks. The throw-away containers have already cost us many jobs. In 1935 there were 765 brewing plants in the United States but by 1974 only 99 plants remained (none of which are in Montana).

STATEMENT BY BILL SCHNEIDER, DEPARTMENT OF FISH AND GAME, BEFORE
THE STATE SENATE'S BUSINESS AND INDUSTRY COMMITTEE, JAN. 20, 1977

Our department has been interested in this type of legislation for years. But our concern was further intensified when the International Assn. of Fish and Wildlife Agencies recently passed a resolution favoring this type of legislation. The IAFWA is an international professional organization of state and provincial wildlife agencies. The Department of Fish and Game is an active member of the IAFWA. I brought a copy of that resolution for the committee.

The so-called "bottle bill" has many advantages. It reduces litter, which we all hate. It conserves energy and natural resources, which the nation desperately needs. It helps keep private land open to public recreation and public land more beautiful for everybody. It saves consumers money. It has no long-term negative impacts on the economy, but has some positive impacts. And it creates jobs. Some industry representatives refute these claims. But study after study has verified these benefits.

From the department's standpoint, the litter situation has hampered our efforts to improve landowner-recreationist relations. We get frequent letters and comments from landowners, angry about the trash--often beverage containers--some thoughtless person left scattered around on their land. Often, one or two such instances will result in the closure of this private land to hunters, fishermen and other recreationists. The beverage container makes up a major portion of the total litter volume. And this bill



The Big Sky Country

MONONTANA STATE SENATE

SEN. FRANK DUNKLE
DISTRICT NO. 15
1725 GOLDEN AVE.
HELENA, MONTANA 59601

COMMITTEES:
EDUCATION
HIGHWAYS

PRESENTATION TO THE BUSINESS & INDUSTRY COMMITTEE
January 20, 1977

Recognition of the problems which bottle bill purport to help solve is relatively new. Concern for conserving our natural resources through recycling and other resource recovery programs, concern about about the nation's litter, and concern about energy consumption has developed only within the last 5-10 years. Many people lump these three problems together and attribute them to a "throwaway society" forgetting that this same society is the most prosperous in the world.

It takes more effort, more ingenuity to take a positive approach to resolving problems rather than taking the simplistic negative approach. It also takes a great deal more time.

I believe that bottle legislation is a narrow, discriminatory and negative response to the above concerns. It also would solve only a small part of each problem.

It is intellectually dishonest to say a bottle bill will solve a litter problem when drink containers are only a small part of the problem. Or to say it will provide a reduction in solid waste when beverage containers are only a small percentage of the solid waste stream. Or that it will save energy, when in fact it may not provide any energy savings at all.