

MINUTES OF THE MEETING
BUSINESS & INDUSTRY COMMITTEE
MONTANA STATE SENATE

April 2, 1979

The meeting of the Business and Industry Committee was called to order by Chairman Frank Hazelbaker on the above date in Room 404 of the State Capitol Building at 10:00 a.m.

ROLL CALL: All members were present with the exception of Senators Goodover, Blaylock, and Regan who were excused.

HOUSE JOINT RESOLUTION 56: This joint resolution calls for an interim study on the problems of controlling food and beverage containers.

Chairman Hazelbaker explained the joint resolution to the Committee in the absence of Representative Hemstad, sponsor of HJR 56.

PROPONENTS OF HOUSE JOINT RESOLUTION 56: Mr. Roger Tippy of Helena, representing the Montana Beer Wholesalers Association, stated they are in support of HJR 56. Mr. Tippy's testimony is attached to the minutes.

Mr. Ed Sheehy, Jr. of Helena, representing Montana Food Distributors Association, stated they, too, are in support of HJR 56.

Mr. Al Dougherty of Helena, representing the United States Brewers Association, stated they support HJR 56.

OPPONENTS OF HOUSE JOINT RESOLUTION 56: Ms. Sanna Porte of Helena, representing the Environmental Information Center and Montanans for Deposit Legislation, stated they are opposed to HJR 56. Ms. Porte's statement is written on the attached testifying sheet.

QUESTIONS FROM THE COMMITTEE: Chairman Hazelbaker told the Committee he felt that interim studies were valuable.

Senator Dover asked why they included food containers in the resolution.

Mr. Dougherty stated that it would be folly to confine it to pop and beer containers because they constitute only 20 percent of the litter and only 61 percent of the litter by weight.

Senator Peterson asked if food containers should be treated separately. Mr. Dougherty stated he felt they should be treated the same.

Senator Lowe stated he felt the study should be broad--everything should be included.

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There was discussion regarding the validity of figures from the state of Oregon in Mr. Tippy's and Mr. Dougherty's testimony.

Chairman Hazelbaker called the hearing closed on HJR 56.

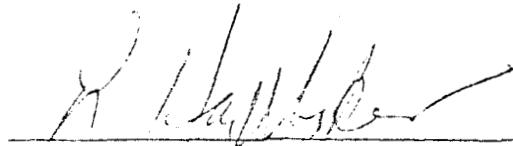
Senator Hager offered an amendment to strike "Assignment of an Interim Committee" in the title and insert "the Environmental Quality Council".

This change would affect several lines in the bill.

Senator Dover moved the proposed amendments Do Pass. The Committee voted unanimously to adopt the amendments to HJR 56.

Senator Hager moved that HJR 56 Be Concurred In as so amended. The Committee voted unanimously that HOUSE JOINT RESOLUTION 56 BE CONCURRED IN AS SO AMENDED.

ADJOURN: There being no further business, the meeting was adjourned at 10:50 a.m.



Senator Frank Hazelbaker, Chairman

ROLL CALL

BUSINESS & INDUSTRY COMMITTEE

46TH LEGISLATIVE SESSION - - 1979

Date April 2

NAME	PRESENT	ABSENT	EXCUSED
Pat Goodover, Vice Chairman			✓
Chet Blaylock			✓
Harold Dover	✓		
Tom Hager	✓		
Allen Kolstad	✓		
Bill Lowe	✓		
John Mehrens	✓		
Bob Peterson	✓		
Pat Regan			✓
Frank Hazelbaker, Chairman	✓		

STANDING COMMITTEE REPORT

April 2, 1979

MR. President:

We, your committee on Business and Industry,

having had under consideration House Joint Resolution No. 56,

Hemstad (Hager)

Respectfully report as follows: That House Joint Resolution No. 56,

third reading bill, be amended as follows:

1. Title, line 6.

Following: line 5

Strike: "ASSIGNMENT OF AN INTERIM COMMITTEE"

Insert: "the Environmental Quality Council"

2. Page 1, lines 17 and 18.

Following: "by" on line 17

Strike: "a legislative committee"

Insert: "the Environmental Quality Council"

3. Page 1, lines 22 and 23.

Following: "WHEREAS," on line 22

Strike: the remainder of line 22 through "committee" on line 23

Insert: "a study"

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(continued)

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4. Page 2, line 4.

Following: "That"

Strike: "an interim committee be assigned to"

Insert: "The Environmental Quality Council"

5. Page 2, line 19.

Following: "THE"

Strike: "COMMITTEE"

Insert: "Environmental Quality Council"

6. Page 3, line 2.

Following: "the"

Strike: "committee"

Insert: "Environmental Quality Council"

And, as so amended
BE CONCURRED IN

O.Q.

STATE PUB. CO.
Helena, Mont.

Frank W. Hazelbaker

Chairman

NAME: Roger Tippey DATE: 4/2/79

ADDRESS: P O Box 475, Helena

PHONE: 442-4451

REPRESENTING WHOM? Mont. Beer Wholesaler Assn.

APPEARING ON WHICH PROPOSAL: HJR 56

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Ed Sheehy, Jr DATE: 4/2/79

ADDRESS: 2031 11th Ave Helena

PHONE: 442-9930

REPRESENTING WHOM? Mont. Food Distributors Assoc.

APPEARING ON WHICH PROPOSAL: HJR 56

DO YOU: SUPPORT? ✓ AMEND? _____ OPPOSE? _____

COMMENTS: _____

NAME: Al Dougherty DATE: 2 APRIL 1979

ADDRESS: Box 593 - Helena

PHONE: 442-1440

REPRESENTING WHOM? United States Brewers Association

APPEARING ON WHICH PROPOSAL: HJR 56

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Samuel Port DATE: 4/2/79

ADDRESS: Box 1184, Helena, MT 59601

PHONE: 443-2520

REPRESENTING WHOM? Environmental Conservation Center
Montanans for Deposit Legislation

APPEARING ON WHICH PROPOSAL: HTA 56

DO YOU: SUPPORT AMEND OPPOSE ✓

COMMENTS: this resolution as amended (to include low
containers) is too large a study to be taken care of
with funds requested. If the intent is to arrive at
a solution to the low container problem (as in the
bill's original intent) then the study ^{will be} ~~will~~ ~~will~~ of time
and money. The committee will undoubtedly arrive at
the same conclusion as the majority of independent studies
with the issue: that deposit legislation is the answer to
marketing & recycling low container. But "bottle bill" one
environmental, relaxing items that the Montana
Legislature will now take action on a little later. No, the

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

BEFORE THE COMMITTEE ON BUSINESS AND INDUSTRY

MONTANA STATE SENATE

STATEMENT IN SUPPORT OF HJR 56
MONTANA BEER WHOLESALER'S ASSOCIATION

Mr. Chairman, members of the committee, I am Roger Tippy, an attorney practicing here in Helena. I am registered as the lobbyist for the Montana Beer Wholesaler's Association. I appear in support of House Joint Resolution 56.

The first issue is whether there is anything to study. You may hear that the bottle bill debate is one of such polarized emotions that objective study is pointless. When we talk about container recycling in the beer industry, we are talking aluminum-almost entirely. Perhaps 20% of packaged beer is sold in glass bottles. This usually is refillable glass, and a fair percentage of empties are repurchased and by distributors at a penny a bottle. The remaining 80% is almost all recyclable aluminum. The package mix in the soft drink industry is rather different.

Beer distributors realize the importance of recycling aluminum. In several communities they have helped the firm of Montana Recycling, Inc. get started. In other communities, such as Dillon and Miles City, the beer distributor operates the recycling program himself.

In the old days, beer was bottled and a deposit ensured the return of that bottle. But remember, the bottle probably went back to the Great Falls Select brewery or the Kessler or Highlander or Centenial brewery. Today the nearest breweries are in the Seattle area and freight on empties is quite costly.

The question is, where do we stand with voluntary recycling right now and how far can we hope to go with it?

The chief statistician of the mandatory deposit movement, Mr. Mike Males, asserts that voluntary recycling is a feeble effort. In a letter to the Great Falls Tribune published March 22, Mr. Males says in the second paragraph that 20% of aluminum cans used are turned into recycling centers. In the eleventh paragraph, he says 30% of the aluminum cans are recycled. What his inconsistency points out is that the return rate is not a static figure, but that it is growing as time goes on. Not that it grew from 20% to 30% in the time it took Mr. Males to write his letter, but the gains have been significant. Pacific Hide & Fur just entered the field 2 or 3 years ago and has increased its aluminum shipments each year. Montana Recycling has also experienced gains.

Well and good, Mr. Males went on to say in his letter, but you hit 30% as a limit without a heavy advertising campaign and even when you do put in a media blitz for recycling, you can't hope to get over 50%. Quite frankly, I dispute that. My wholesalers tell me they think the return rates in some of the communities is at or better than 50% right now. When the man knows he buys back a million cans a year in Dillon or 5 million in Miles City, he has an intuitive grasp of just how many aluminum cans he-and his competitors-and perhaps some of the soda pop distributors-have sold in the community that year.

In Idaho, the beer distributors have just launched a new recycling promotion called TRIIP. They tell me they believe their return rate is 50% now and they're shooting for 75% with TRIIP. That's something I was told on the telephone and it contradicts something Mr. Males was perhaps told on the telephone. I'd like to tell you something about telephone research (Oregon-foreign imports).

So the aluminum recycling issue comes down to Mr. Males' 20 or 30% return rate versus my 50 to 60% (in some communities). Let a group of legislators and a council researcher make an objective search for the true facts. I'm not afraid of this process. If the facts found by a study turn out as Mr. Males claims, I would recommend to the beer wholesalers that they support a deposit law. Now what if the facts bear me out? Suppose we find return rates at 50% or better now and 75% easily achievable with voluntary programs. Will Mr. Males and the E.I.C. support strong voluntary recycling then? Or will they just look for a new rationale for a deposit law. Frankly, I'll bet they're afraid of an interim study because it might find the facts I claim and undercut them.

Now you may also hear that a study is ill-advised because these public opinion polls show such great support for deposit legislation. Let me observe that the structure of the question dictates the outcome of the poll. In neither survey was a deposit law linked to an increase in the price. If it truly did not increase prices, I'm sure the bottle bill would sail through this body by the same margin it had in the opinion surveys. But let's rephrase it and ask the people if they favor a deposit law when it ups the price (excluding the deposit) 20 cents a six pack? 30? 50? Surely there is a point where most people who consume the product will reject a deposit law - and only those who drink champagne (in nonreturnable bottles) will still want to stick it to the beer drinkers. (Nebraska polls).

Now it seems to be the fashion to knock interim studies because a couple of them came up croppers this session. I don't know about

the subdivision study - but I drafted the Senate Joint Resolution to study HB 122 and I know the intent was to give that bill a slow funeral rather than a quick one. But let's recall some of the successes out of the interim study process. Just ones I was involved with, like the coal tax. Or let's talk about B & I studies. Remember Senate Bill 1 four years ago. Senator Regan worked out with the Tavern Association the "floater" - the only modification to the quota system that's ever passed. Or consider the study of wine and liquor selling alternatives that Senators Kolstad and Blaylock served on. Consider, that committee drafted bills for the 1977 legislature to sell wine in grocery stores and have the state operate the rest of the liquor monopoly on a business-like basis. You know, two years later, that's just where we're headed.