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not the 90% claimed by some and it was not clear whether this was a result of the law or the publicity surrounding it. He said beverage container litter increased during the summer of the second year by 127% over the previous one. He said the bill resulted in Oregon consumers paying 14.9% more in 1973 for the same amount of product than the year before.

He also stated that retailers were inconvenienced and financially burdened by having to sort and store the empties and keep the necessary records. Wholesalers, he added, need larger trucks and more men to handle the same amount of product. He said the Oregon experience and Pepsi and Coca Cola in Nevada indicated "it is not logically sound to suggest that imposition of a deposit will change the Nevada consumer's habits; that it "is unconscious and automatic and all the legislation will not change it." He felt that education, community pride and strict law enforcement would be more effective tools to alter the situation. He refuted claims of all proponents, that the effects on all aspects are not as proponents claim and that Nevada would reject the law if it saw the results of the Oregon law.

He continued that before the Bottle Bill in Oregon, bottles were returned for re-filling. Now this is economically unfeasible and that the amount of the deposit makes no difference; that the 10¢ deposit on Coke bottles doesn't replace the one out of two that is returned; that brewers have lost money because their margins have declined. He also stated that 196 jobs were lost as a result of the law in Oregon and that there was a loss of \$1.30 per barrel excise tax; that the consumption declined 1.7% in 1973 and that the amount of litter on Nevada highways would not decline because 35% of the roads are travelled by out-of-state cars, the main source of litter. He also stated that no energy would be saved because of the tremendous amount of water used to re-fill bottles. "The Oregon Bottle Bill is a failure as well as an economic disaster," he stated. "It isn't fair to the innocent consumer and the industry to pick up after 1% of the people throwing away cans", he continued.

Senator Young introduced Oregon representative Mencie Fadeley who is also a member of Oregon's House Environment and Energy Commission. Ms. Fadeley stated that the beverage industry and retailers as well as beer drinkers are "alive and well in Oregon". She called the Oregon bill "one of the most popular pieces of legislation that has ever been passed by the state; that it is a household word." She told the joint committees that they should discount efforts to bad-mouth the bill, which, she said, has been subject to a well-financed attack by bottlers and distributors. She continued, "I want you to know that 41 members of a 90 member legislature have sponsored a bill to extend the bottle bill to wine bottles and that 41 members would not

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be asking for an extension of a bill if it was a failure." She stated that Oregonians are receiving more beverage for their money than they would if they were paying for the container and that while there has been an increase in general roadside litter, they have seen a significant decrease in beverage container litter.

She said that predictions of "dire economic consequences" that would result from enactment of the Oregon bill never materialized. She stated that Oregon was not prepared for the lengths to which industry went to keep the bill from passage. She suggested that the Committee members check out any information that is given them supported by the "official study" by the State. She told about the industry pressures that were applied to her in her campaign and that she had "never been hurt by anyone, including labor" and that when the Bottle Bill was being proposed in Oregon in 1971, she heard the same things from industry that were being said at this hearing today, i.e., some businesses would go broke. She said that 96,000,000 bottles of Blitz beer are sold in Oregon per year and that they haven't bought any new bottles in a year. She stated that in 1971 the bill was proposed as cutting down the litter problem and "it has done more than that; it also recognizes that our natural resources are not limitless."

Mr. Heaney asked Representative Fadeley if it was true that Vermont and Oregon are seeking the repeal of their Bottle Bills. Ms. Fadeley stated that as chairman of the Environment Committee in the Oregon Legislature, she would be the person addressed by such a request and that she had never received a single letter asking for such repeal, but that she had received many letters requesting an expansion of the Bottle Bill to such things as juice cans, catsup, etc. "There is no interest in Oregon to repeal the bill", she emphasized.

Mr. Heaney also asked Ms. Fadeley if there is any pending legislation to change the law in Oregon to make it less burdensome on the wholesaler and retailer. She stated that the retailer "has carried the Bottle Bill for us"; that it has been handled from the marketplace. Before the Bottle Bill, the retailer received 22% mark-up and he now receives 27% with returnable bottles. The wholesaler has no cost for new bottles; the storeowner pays more for handling the returnable bottles, but he is also receiving more back. She stated, "You do not have to turn in your bottle, but somebody probably will."

In response to Mr. Sheerin's question that she confirm that the Oregon Highway Maintenance budget has not decreased, Ms. Fadeley stated that it had not.

Mr. Price asked if signs along the highway encouraging drivers to properly dispose of their litter helped correct the situation. Ms. Fadeley stated that in 1971 people were cited for littering and that it

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is only through education and better law enforcement that other litter can be corrected because though there is a marked decrease in returnable containers, there was no decrease in other types of litter.

Dr. C. J. Gudger of the School of Business, Oregon State University, stated that he was neither an opponent or proponent of the Bottle Bill, but "rather, my position is that of a researcher who has investigated the actual economic impact of mandatory deposit legislation in one state". (Oregon) Dr. Gudger is a co-author of research published in March of 1974 which was not funded or sponsored by any industrial or environmental group. He offered Exhibit 1 to the Committee. He disputed claims made by the "ADS" study, Exhibit A, earlier presented to the Committees, which pointed out increased costs by using returnable bottles, but which study neglects to include the savings in not having to replace containers and also neglects to include inflation as a factor contributing to increased costs. He continued that Nevada is a "throw-away" state and the bills under consideration won't change these habits. He also disputed the claim in the "ADS" study that jobs were lost because of the Bottle Bill, but felt that not all factors were included in this figure, as other jobs were added. He stated two conditions for the success of the Bottle Bill were: 1) the economic incentive for the beverage manufacturers to get the containers returned; and 2) the convenience to the consumer to return containers to all stores.

Senator Neal asked Dr. Gudger if he felt those most adversely affected by the Bottle Bill were the bottle manufacturers. Dr. Gudger answered in the affirmative. There was discussion between Mr. Weise and Dr. Gudger as to the strong industry opposition to the Bottle Bill. Mr. Weise wondered if Dr. Gudger could explain this opposition, but Dr. Gudger stated that he was not "their privy counsel". He stated that large shippers would be violently opposed to the Bottle Bill because they would not be sharing in the cost savings that local shippers (distributors) would and the same would be true of large can companies such as Continental Can. Mr. Weise wondered why there were no shipping companies opposing the bill since their income would be directly affected.

To Mr. Chaney's question as to whether the Oregon consumer pays less than consumers in other states, Dr. Gudger stated "yes". Mr. Price questioned Dr. Gudger about the fact that lower wages in Oregon plus a lower price index could reflect lower beer prices. Dr. Gudger stated that he could not comment on this opinion. Mr. Price also asked Dr. Gudger if water wasn't an important factor in the Bottle Bill proposal since so much more is used with returnable containers. Dr. Gudger stated that it was a factor but that water isn't the problem in Oregon that it is in Nevada and when the industry in Oregon was questioned as to water consumption, there was no response. He suggested that the committees inquire of a soft drink bottler.

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Mr. Sheerin pointed out to the committees and Dr. Gudger that the figures presented to the committees have been miles apart, but that the main thrust of the bill is to get rid of litter. He asked Dr. Gudger if there was no alternative solution to this problem. Dr. Gudger stated that this would take further study.

Senator Dodge asked Dr. Gudger what percentage of the total litter before the Bottle Bill in Oregon on the highways was considered disposable containers. Dr. Gudger stated about 30%. Dr. Gudger continued that the Bottle Bill will not take care of the total litter problem in Nevada and that it does not "address litter of tires, bed-springs, etc."

Senator Dodge asked Dr. Gudger if he wasn't selecting one segment of the population, namely the consumer, to take care of a broad spectrum of litter. Dr. Gudger answered in the affirmative, that the bill only refers to returnable beverage containers.

Assemblyman Getto discussed AB 131 introduced by him in the 1973 Legislative session. He stated: "It brought out the industry en masse; AB 131 was not killed by the consumers, but by the industry. The 'detachable opener' portion of the bill survived with the promise that it would be passed, but before it arrived in the Senate, it was killed." He felt that any increased costs would be accepted by the consuming public as it is in Oregon. "Why is industry making such a cry?", he asked. "Who is paying the cost of the fight that is going on to all Bottle Bills introduced? Even the opposition coming from a few consumers has been set off by industry." He continued discussing the trend started by Oregon to reduce solid wastes and this, in turn, helping to conserve natural resources. "If we do not start conserving our natural resources, our successors will pay for it." He stated that he recently visited Oregon and Vermont and questioned people everywhere on the Bottle Bills in effect in the two states. Not one person he questioned objected to it. "People of this State are not organized to fight bills. Industry has the capital to fight 'it' and it will probably be killed by industry. We must give this bill a chance, but if this bill doesn't pass, it has already served a purpose because it has brought attention to the industry and what they are doing. Coors has certainly been a little in this area."

In opposition to the bill, Mr. Hagen introduced Mr. George Wagner, an attorney from Oregon representing the Can Manufacturers Institute whose main offices are in Washington, DC. Senator Wilson clarified Mr. Wagner's business and residence address. Mr. Wagner stated that he has spent much time as an attorney dealing with Bottle Bills. As to increased consumer prices, Coke in returnable bottles in Portland is 27% higher than in any other market. After the removal of the price freeze in December of 1973, the price of 16 oz. Coke returnable bottles

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increased by 59% compared to Reno where it increased only 32% in the same period. Senator Wilson stated that Reno deposits are higher than in Portland. Mr. Wagner introduced several exhibits, H through J attached, after stating that the ADS (Exhibit A) was the official state study as required by Section 11 of the Oregon Bottle Bill. He then proceeded to explain in great detail his past connections with Dr. Gudger and was interrupted by Senator Wilson who requested that Mr. Wagner maintain the subject at hand. Mr. Heaney questioned Mr. Wagner on Question 29 of Exhibit J relating to "trippage". Mr. Wagner's exhibit showed that "trippage" of a bottle was not affected by the passage of the Bottle Bill. He refuted Dr. Gudger's figures on economic effects on the industry since passage of Oregon's Bottle Bill as beer and soft drink sales are just beginning to climb.

Senator Sheerin stated that since the Oregon Bottle Bill went into effect, there has been a modest decline in litter; that beer and soft drink prices in Oregon are the highest in the country and that it is important to look not only at the environmental problems but also the economical impact on the State.

Senator Neal asked Mr. Wagner if there aren't other means beside the Bottle Bill by which the litter problem can be attacked. Mr. Wagner stated that in Oregon there was a very good anti-litter program by the State Highway Department. Well-enforced laws, more litter barrels and automobile trash bags are all suggestions to consider. However, he did not feel the problem could be entirely eliminated.

Mr. Heaney stated that he had received figures from the Oregon Liquor Control Board indicating that beer sales had declined 1% and that 1974 figures showed increases in packaged beer sales of 5%. Senator Sheerin asked if there were any studies on the cost of the State collecting litter.

Mr. Jim Carmany of Juvenile Probation in Clark County stated that employment is a large problem in rehabilitation of youthful offenders. Four years ago, the employment of 154 juveniles and re-cycling of bottles became an active program. He stated that \$38,000.00 had been paid in wages and that \$13,000 was contributed to begin the program by the County of Clark. It is now a self-supporting program with the prospects of hiring additional employees. He felt this a more viable solution to the litter problem than the Bottle Bills presently under consideration.

Mr. Bob Delbert, branch manager of the Coca Cola Bottling Company of Las Vegas, discussed the two bills before the committees today. (See Exhibits L and M)

Mr. Les Kofoed, representing the gaming industry, stated that the

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people he represents entirely oppose this proposed legislation; that it will increase the cost of doing business necessitating an increase in volume. He suggested that State gas taxes be spent to clean up the highway litter. "The people who are doing the littering are visitors", he continued. An educational program could help; sportsmen could cooperate more. He stated the bills "are just not fair".

Senator Neal asked Mr. Kofoed if it was his position that the sellers of beer should not bear any responsibility for litter. Mr. Kofoed answered that he thinks they have some responsibility, but not all of it.

Mr. Weise asked Mr. Kofoed that since he is representing the gaming industry, just how will this proposed legislation effect it. Mr. Kofoed stated that the gaming industry had been through this before when they had deposits on glass containers. Since then, all containers go into the trash and the space once used to save containers with deposits has been used for other purposes and is not now available.

Senator Wilson asked for a show of hands from the audience as to their preference of continuing the hearing through the dinner hour or recessing for an hour for dinner. Since the majority of the audience preferred to continue, Senator Wilson called a five minute recess until 5:20 p.m.

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The above portion of the minutes of the JOINT HEARING OF THE ASSEMBLY & SENATE ENVIRONMENT & NATURAL RESOURCES COMMITTEES on AB 34 and SB 4 are hereby respectfully submitted by Phyllis Berkson, Assembly Attache, the balance of the hearing minutes submitted by the Senate Attache assigned to this Committee.

The next witness was Mr. John Gionatti. He pointed out there would be economic burdens on the industry itself. He told what it would cost to implement the program. He passed out Exhibit L and also spoke about the responsibility of the people of Nevada to keep our highways clean. He said that on the way down from Lake Tahoe, he took a litter count to see how much litter there was on the highway. He counted four bottles and three cans.

Ray Ben David, 1705 Cochrane Street, Las Vegas, Nevada, Director of Focus, was the next witness. He spoke about his organization and told how many people they employ and the kind of work they do. He said that in order to continue their work, they must seek additional sources of income. In line with that, they have gotten together with the hotels and local bars and pick up their cans and bottles on a daily basis, and take them to the local recycling center. They have also borrowed trucks from the bottle industry to expand their business. He said if the bill were passed, the local recycling plant might have to close and one of their sources of income would be cut off from them. He feels that it is not just the economic problems but also the problems that would be caused by people being out of work. He says another group that would be affected would be the senior citizens who use the recycling to supplement their limited incomes. Assemblyman Weise asked how many senior citizens might be participating in recycling. Mr. Ben David replied that he did not have that kind of figures with him. Assemblyman Heany said, "In reference to your feeling that the recycling center might be closed down, do you have any idea what percentage, speaking of bottles and cans, what materials recycled at the recycling center are beverage containers. Mr. Ben David didn't know right off hand. Mr. Heany said that he thought there were other materials that could be recycled. Mr. Ben David said that they were thinking of recycling paper.

Bill Kuhn, 2632 Cavet Street, Las Vegas, Nevada, sales manager of De Luca Importing, spoke opposing the bill. He said that his organization recognized that littering is a problem and have recognized it for some time. He spoke about a BPA study and said the bills were aimed at the beverage containers only and if you eliminate 100% of them, you still have 81% of the problem. He said one of the answers to the litter problem would be law enforcement and also recycling. He said he had checked with the Sheriff's office and the Court Clerk and can give no record of even an arrest for littering, let alone a conviction. He also spoke about the work his organization does in recycling. He said 100 people a day bring in things to be recycled. He was here two years ago to make a presentation and at that time they were recycling 150,000 pounds of aluminum cans; in 1974 that figure jumped to almost 600,000 pounds, or 14,000,000 aluminum cans. He spoke about the need to recycle newspaper, and said they were recycling about 4,000 pounds a week. He spoke about the different amounts each plant is recycling weekly. He said that his center will accept any kind of bottle or glass. Last year they paid out over \$85,000 for glass in the Southern Nevada area.

Bob Yost, 3890 South Swenson, Las Vegas, Nevada, 89109, Youth Alternative Program in Las Vegas, opposed the bill. He has traveled through 24 states and three provinces of Canada and there are recycling programs there now. There are two juvenile courts in Florida that are using Las Vegas as a model for rehabilitation. He told about a boy the program had helped, and is now working on a program that deals with even higher risk delinquents.

Thalia Dondero, Las Vegas Chamber of Commerce representative. A copy of her testimony is attached.



Steve Nicholas, 895 Sierra Vista, Las Vegas, Nevada, Focus, testified in opposition to the bills. He spoke a little about Focus and said that the concept is to develop a good financial state. They have one person who is receiving a salary from a state agency here. He said that based on the information of alcohol and consumption figures that were given to him by the beverage industry, they could do business with 18 of the regional hotels. Using average figures, there would be about 1,000 cases of different kinds of glass per month that they would pick up. That would pay about \$2,880 per month per hotel, which would be a gross figure monthly of about \$52,000. He said the owners and managers of the bars and hotels are happy to cooperate with them. He also spoke about the amount of recyclable materials that they would have to pick up to make the program work for Focus. Mr. Weise asked about the connection between Focus and the recycling center. Mr. Nicholas said that Focus would pick up the material and take it to the recycling center. 11

Mr. Jack Franks, Division Manager for Kennametal, Inc., testified next. A copy of his testimony is attached.

Mark Elston, 2345 Armstrong, Reno, Nevada, testified in favor of the bill. A copy of his testimony is also attached. There were some questions from the committee. Assemblyman Weise said that since he was more concerned with the general environment, did he really feel that maximum efficiency they obtained in Oregon, which was a ten percent reduction, did he really feel this is the proper way to go about it? Mr. Elston said that he thought that anything we do to help the state is an asset. He felt that this was one of the best states in the union and it really made him mad to go hunting and fishing and see beer cans and bottles left for someone else to pick up. He said when he was in Oregon he was really impressed because there were no bottles on the highways. Mr. Chaney asked what he thought should be done with the rest of the litter that he was sure Oregon had. Mr. Elston said he thought the bottle bill would help out problem. Senator Gojack asked him if he had been to Las Vegas, and Mr. Elston replied that he had been there twice. Senator Gojack asked him how the litter there compared with Oregon. He said that the two times he had been there the only thing he had seen was the strip. Mr. Jacobsen said that a couple of weeks ago they had a high school team come to Douglas County to play basketball and after the game was over the parking lot looked like a garbage truck had unloaded. He said the next morning when he went by he couldn't help but notice the young people were there gathering up the cans. He then asked Mr. Elston if he thought the problem was a people problem or the type of containers they are throwing away. Mr. Elston said that he thought the problem was a people problem and that he thought it was really easy to take a can and throw it out of your care. He then said that it could be a combination of both. Someone asked if rose wines which are carbonated and come in large bottles would be affected by the bottle bill. Senator Wilson thought it applied to non-carbonated beverages.

Mr. Griffith, head of Department of Fish and Game, State of Nevada, testified in support of the two bills. He said that the investigation and prosecution of litter violations constitutes from three to eleven percent of their annual law enforcement efforts. This is not only on public lands, but private lands as well. These private lands are those that are very important and with a lot of recreational opportunities. The enforcement of litter laws has been very keen on the areas that are marked for public access. Additionally, they have kept records for a few years for the litter clean up in their management areas. This, although it is a small amount, on a direct basis, computing the four areas in question, it is some \$1,700. He said it was a small amount when you realize and compare in relation to the study and the probably loss of access to some of our key areas, the litter continues. He said the bill was not the total answer to the littering problem but they do feel it is important asset to help them maintain some semblance

of order for the preservation of a better quality of environment and maintain the recreation areas we are presently making use of. Senator Blakemore said, "You have three to eleven percent of your law enforcement toward litter violaters?" Mr. Griffith said their primary function was to enforce fish and game laws. Senator Blakemore asked if they had prosecuted anyone for littering. Mr. Griffith said yes we annually have three to eleven percent of our law enforcement activities so this will vary from about 35 to 105 annually. Senator Blakemore asked if they got convictions. Mr. Griffith said they did. Senator Blakemore asked if it would help if we doubled the fine and said he thought the fine was not \$100. Mr. Griffith said it was posted \$100 on the signs, but it was simple misdemeanor and the minimum fine is \$50. Mr. Heaney said he didn't understand why they have large fluctuation in percentage. Mr. Griffith said it has to be based on some sort of fluctuation because they don't always have the same number of cases totally. Mr. Heaney asked if that was over a period of years. Mr. Griffith said yes and that their minimum had been three percent and their maximum had been eleven percent.

Bill Leadington, 130 Annette Circle, Reno, Nevada, student at University of Nevada, Reno, testified in support of the bills. He feels the bill could be improved substantially and its chances for passage enhanced if the deposit was raised to five cents. His reasons were that the major opposition to the bill is a resident from a local retailer on one hand and from national soft drink manufacturers on the other hand. In examining the reasons why the opposition are against the bill, according to him, are the added costs of handling deposit bottles. These costs included storage, transportation, and breakage. The national brewers are concerned about the affect of the deposit on their per capita consumption of the profits because of the less convenient packages. The increase per capita consumption is due to the improved convenient packages. The two cent deposit is to encourage rebates and alleviate the problem of sorting and recycling for retailers and consumers. The economic affect is to encourage bottle use by consumers instead of can use. He said when the Oregon bill was put into affect, it was felt that since pop top cans were outlawed from the act there would be a consumer shift from cans to bottles because the only cans that were available were the heavy cans that require can openers. So the use of standardized bottles seemed to be a step for the industry introduction of the new aluminum cans which were characterized by the Coors push top cans. He said if the deposits on all bottles were five cents and the consumers could choose themselves which containers they found most convenient. Since it is easier to store and handle cans, it is likely that they would encourage can use instead of discourage it. Consequently, instead of seeing a shift to bottles, you should see a shift from bottles to cans because of the greater convenience. He said cans have no breakage problem and they can be crushed and thus stored easier than bottles. They require less effort to transport to return them than bottles because of the bulk and the weight and there is no breakage problem. He said if the deposit for cans were the same as for bottles, the consumption of drinks in cans would probably go up. This would get rid of one of the major fears from the major opposition. The lower per capital consumption created by the inconvenience of consumers having to haul back the bottles to stores would not be a severe problem. He said the great fear of the national distributors was that people would store up the bottles and not return them and then start buying cans because the bottles would be too hard to return to the store. From the retailers viewpoint, the cans would not be as hard to store as bottles. Again, there is no breakage. Storage space would be no problem and health problems would be considerably less. He then quoted from an article from William Coors about equalizing the deposit on cans and bottles. Senator Neal asked what problem would the littering cause other than to become offensive to the country. Mr. Leadington said all he was trying to suggest a way to improve the efficiency of the bottle bill. Assemblyman Weise asked if he had given any thought to the

retailer keeping part of the deposit for handling and if so we are talking about this in another field now. Mr. Leadington said he thought it was a good idea.

Carolyn Ward, Reno, Nevada, was the next witness. Her testimony is attached.

At this time Thalia Dondero said that she really took exception to the fact that the opposition gets paid for doing this. Assemblyman Coulter said he heard a great deal about companies making a profit and he is wondering if the bottle industry honestly felt this was causing hardship to the industry, no matter what the profit picture is, that they would lobby against it. Mrs. Ward said yes, she would expect them to lobby against the bill. She also said that even if that was true, the nature of man is that he is able to adapt and the smart business people are the ones who adapt to the market. She said she would think the Brewers Association and the American Can Company would feel it would be worth more to spend their lobbying money to help their country in time of increasing fuel costs than to worry about their profits. She said this was her own personal feelings.

Mrs. Albert Fisher, 233 Arrowhead Drive, Carson City, Nevada, Member of the Board of Directors of the Sierra Nevada Girl Scout Association, testified in favor of the bills. Mrs. Fisher said that she tested to see which gave her more for her money, returnable bottles or aluminum cans. She found that she gets 1.76 ounces per penny in returnable bottles and 1.00 ounce per penny in aluminum cans. She also said that her girl scout troop had collected aluminum cans and tin cans and bottles for recycling to earn money. She said they had a dump truck completely full, took it to the Reno recycling center and only made \$4.36. Her troop is very enthusiastic about the bill. They collected petitions on the weekends in support of the bills. Mr. Weise said her comment about receiving 70 percent more Coke in a returnable bottle than in a can for your money. He asked if she thought if they imposed a tax of a few cents, would that encourage people to bring back the bottles or influence them to buy one item over another. Mr. Weise and Mrs. Fisher discussed this at quite some length. Mr. Weise asked Mrs. Fisher why people would take them back because he felt they are not conditioned to it. Mrs. Fisher said they would take them back for the deposit. She says now is isn't worth your while to pick up a can, drive from Carson City to Reno with a tin can or a non-returnable bottle. Mr. Weise asked her if what she was trying to say was that people are getting more conscious of dollars and cents and therefore they are going to switch over to returnable bottles. Mrs. Fisher said yes. Mr. Weise asked if it was a premise that people if they are becoming more aware, would convert over to the returnable bottles on the market now. Mrs. Fisher said not necessarily.

Steve McMorris, Zephyr Cove, Lake Tahoe, Nevada, an attorney, testified in favor of the legislation. He said he was there representing himself and no one else. He said he had driven down from the lake too and didn't see many cans or bottles on the road either, but he wanted to point out there was six to eight feet of snow on the ground; and when the snow melted there is much litter on the road. He feels the legislation is important because of the pollution litter is causing. From an energy standpoint, it doesn't make much sense to him that you could discard a bottle and ten or fifteen years ago you didn't do that. He said he was not being critical of industry, but that they had not come up with any solution. He said an educational program was necessary. He felt that recycling only results in a small percentage of reduction of litter. Most people are not motivated enough to use the recycling centers and you see the same people there week after week. He said if aluminum cans were worth five cents apiece, you would have a great amount of return. He said from his own experience that although litter laws sound great, you have to have an eye witness. Even if you get an eye witness, few people are willing to report an offense. If they do report it, they are reluctant to sign a complaint and testify in court against the person. He also said that you don't find many policemen in the hills.



He said if you do get a conviction, the fine for it is minimal. He didn't feel that the litter laws were effective and didn't think they were a good alternative. He feels that it is imperative that this legislation be enacted. He did say that the industry will need time to adjust to it and will need to establish redemption centers. He would recommend that if the legislation is passed that the committees consider an effective date of January 1, 1977. Mr. Jacobsen asked if he thought those cans he saw coming down from the Lake were from local people. Mr. McMorris said he hadn't witnessed any Douglas County license plates on the cans. There was a short discussion between Mr. McMorris and Mr. Jacobsen about where the cans came from. Mr. Weise asked if Mr. McMorris felt that the success of the bottle bill, if there were some, would keep people from throwing bottles out or just that it would encourage other people to go pick them up. Mr. McMorris said it would be somewhere in between. It would encourage many people not to throw them away. Mr. Weise asked him how he bought his six packs. Mr. McMorris said he bought Coors in non-tab cans and he takes all of them back to the recycling center. Mr. Jacobsen said that in thier area they have many motels with pop machines outside. He asked if Mr. McMorris felt that if we went to a real deposit on each item that we would encourage the people to remove them from thier containers outside the motels, gas stations, etc. Mr. Jacobsen felt this would be a real problem. Mr. McMorris said he felt there was no question that people would take anthing they could remove.

Mr. Vern Ross, Department of Health, 202 Mary Street, Carson City, Nevada, testified in opposition to the bill. He said the bill would designate the State Environmental Commission as the agency responsible for administration and enforcement. The Commission is a non-administrative body staffed by one person. It would be impossible for this person to implement the program, let alone enforce it. A.B. 34 designates the State Board of Health as the policy making body. He suggested this same approach for S.B. 34. He said the fiscal note indicates there would be no money for the program. He said very few state agencies could manage this program without additional funding and said that perhaps money could be provided through licensing of dealers. He said he was not aware of the possible accounting that may be required in this act, but felt this may be the practical portion of this program. He said the program is oriented more to the certification of containers and surveillance of dealers.

Homer Anrig, State Highway Department, 899 Koontz Lane, Carson City, Nevada, testified. He said the Highway Department is in favor of any piece of legislation that will get rid of litter or give them some additional funds. The cost of removal of litter in the fiscal year 1971 was \$444,000; fiscal year 1972, \$416,000; fiscal year 1974 it was \$463,000. The \$463,000 was a lot more in litter pick up because of a program in Las Vegas and Reno for 40 disadvantaged people to pick up litter. They also took part in a litter study in 1969 and it showed that Nevada's litter was approximately 43 percent cans and 10 percent bottles. On the national highways it was 22 percent cans and 6 percent bottles. Senator Sheerin asked how successful the program was and how much longer was needed to clean up the highways. Mr. Anrig said he could not give these figures due to the shortage of funds they have put litter down to a very low priority in their work. Senator Wilson asked Mr. Anrig to provide the figures from the Highway Department and Mr. Anrig said he could do that.

Jean Stoess, 1600 Royal Drive, Reno, Nevada, housewife, testified in favor. Her testimony is attached.

Michael Bell, 1121 Gordon Street, Reno, Nevada, stood to testify at this time. It was made known to the committee, however, that several people had planes to catch. Mr. Bell agreed to let them proceed first.

Senate Committee on Environment and Public Resources

At this time the statements of Robert Miller, Walter Beckman and Robert Sally were entered into the record.

Larry Childress, 813 Bonita, Las Vegas, Nevada, Representative from Smith's Food King in Las Vegas, testified at this time. His written testimony is attached.

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Wendell Tobler, owner-operator of two supermarkets in Las Vegas, testified next. He said that many people started in the grocery business as a box boy and they all had to wash bottles in the old days. He said that was a lousy business then and it's a lousy business now. He said that the returning of the bottles would slow down the checkstand line. The back room would be too small to do the sorting. Another problem he thought, would be stealing. He said they have enough trouble with employees stealing without bringing delinquents in to sort the bottles. He also said returnable bottles would slow down the cash flow. He said 3000 cases of pop would tie up \$3,600 of the consumer's money and this would not be returned to rebuy. He also said you could not buy returnable bottles with food stamps. Mr. Weise asked him what stores he owned. Mr. Tobler said he owned Food City previously for 21 years, and now owned a new store in Henderson and Rancho Market in Casino Center, Las Vegas. Senator Sheerin asked if this bill were amended so that retailers would not have to take back the bottles, and the bottles had to go back to the recycling center, would that be acceptable to the retailers. Mr. Tobler said no. Senator Neal asked if a person on foot stamps could buy coke. Mr. Tobler said no, he can't pay the deposit. Senator Neal said he can buy the coke however. Mr. Tobler said yes. Mr. Weise said he thought the point Senator Sheerin was alluding to would be that everybody would be in the same situation if there was a common collection point so that all markets would be in the same situation. They would all be charging but the people would still have to take all their beverage containers to a redemption center to get their refund. Mr. Tobler said he would still not be in favor because they would not have the confidence of the customer if we collect the five cent deposit. Mr. Weise said it sounds like the customer is saying that you didn't give me my five cents back, but Safeway did; but Safeway wouldn't be allowed to either. Mr. Tobler felt you would still have a major problem in the industry that he didn't believe you would solve by saying that people do only what they want to do. He said people are basically lazy and wasteful. He also said the Chamber of Commerce of North Las Vegas and the City Council of North Las Vegas urged that the bill not be passed.

Mike Brady, Vice President and General Manager of Pepsi Cola Bottlers, testified. They are the largest bottlers in the state. He said at this time they could not produce a returnable bottle. They have updated their equipment and invested over \$150,000 most recently. If they have to invest in returnable bottles now, it would cost over \$500,000. They would probably have to shut down production. He also mentioned that 28 years ago they had 30 trips on a bottle. Mr. Weise asked if they were to cease all of their advertising campaigns, did he think their company, in terms of profit and loss, would be better off. Mr. Weise said he felt they spent too much money in advertising, more than they would lose if the bottle bill were to be put into effect. Mr. Brady said their sales would decrease if they discontinued advertising. Mr. Weise said he was talking about the monetary efforts they make to try and curb litter. Mr. Brady said they have to keep investing money. Mr. Weise said the reports here don't really show a tremendous amount of money that is going to cost you if you have to convert to bottles, and he thought their profits would be improved if they quit advertising anti-litter and he felt it would be a negative effect on the economy. He also felt we were better off letting you advertise to have people not litter. Mr. Brady said he felt the communities themselves should investigate clean up campaigns. He felt it was an educational process. Mr. Weise asked how much they spent on anti-litter advertising. Mr. Brady said not too much.

Senator Neal asked if he understood him to say that they didn't have any washing equipment. Mr. Brady said they do, but said they needed a soaper. A returnable bottle has to be washed up to 20 minutes. Senator Neal asked if he understood then that you accept the cleanliness of the bottle. Mr. Brady said they use only brand new bottles. Senator Neal asked again if they accepted the cleanliness of the bottle. Mr. Brady said they wash the bottles in a solution that kills all of the germs. They use brand new bottles that are made at 2000 degrees. They are pure when they come in but they still wash them up to 20 minutes so there is no way they are not clean. They also purify the water. Mr. Jacobsen asked what the cost of returnable bottles was compared to non-returnable bottles. Mr. Brady said the returnable bottles run about two and a half times more money and, of course, you have to wash the bottles, you need sorting equipment and more labor. Mr. Jacobsen asked if he could tell him the actual cost of a case of bottles. Mr. Brady said it was about \$2.50 and returnable about \$4. He said the problem was the people would not bring the bottles back.

Charles Hecht, 312 Park Bay West, Las Vegas, Nevada, testified against the bill. He is the President of Mountain Valley Water Company and president of Las Vegas Distributing Company. He stated that the beer brewers are being put in a position of "cost squeeze" where more and more are going out of business and are asking the beverage industries to bear the entire burden of the bottle problem. What he does not like about the bottle bill is that there is an implication that the ends justify the means. If the means causes hardships to people in Nevada who are buying food stamps or running their own private businesses. Also said there is no possible way to control tourists. Tourists will not bother to reclaim the bottles. He felt the tourists are more at fault than Nevadans. He said mineral waters are also included in this bill. This includes Cascade, Sparkletts, and many others. It appears that the danger is that most water is consumed in restaurants, hotels and clubs. The point is that these businesses have to have beer and soft drinks but they don't have to have mineral water. This bill would also affect imported mineral water from out of the country dealers. None of these people are about to change their bottling to satisfy the State of Nevada. He is against passage of the bill unless amended to exclude mineral waters.

At this time the written statements of Dennis Ghiglieri and Linda Bowman were entered into the testimony.

Mr. Michael Bell came forward at this time to give his testimony. He said he had been preparing for two years for this hearing. He said he attended the hearings that were held in 1973. He said in the 1950's the public abandoned returnable bottles for a more convenient package. Now in the 1970's they are demanding a return to returnable bottles. He said throw away containers simply don't make sense. He said Mr. Hagan's statement about one out of one hundred containers end up as litter in Nevada makes about 2,000,000 containers. The highway department can't handle the litter problem now. Thirty-five percent out of state traffic is another statistic we heard and he didn't doubt that at all. He said that was impressive, but are Nevadans here, as in so many other issues, going to let it die. He asked if we wanted California to act first. He said this was a Nevada decision. He pointed out that maybe Nevada could influence California in that direction. It will not be long before they respond to this problem in some way. He said in Oregon the public accepted the slightly higher rate they would have to pay for beverage containers and the public acceptance is now 91 percent. He pointed out there is a deliberate program out of distortion in many areas; it doesn't have to be overt, but it is distortion. He said you could take the statistics in front of you and talk about jobs. He said with the emergency of the non-returnable bottle came corresponding decrease in the beverage sector along of 13,000 jobs between 1955 and 1971. He said the simple answer for a lot of this is that the non-returnable



Senate Committee on Environment and Public Resources

bottle encourage a regional and consolidated approach rather than a local approach to the marketing of beer, for instance. He said the brewers argue that this bill will cost jobs, yet they are responsible for the loss of 13,000 jobs. He feels this is a contradiction. Feels that recycling is at best a stop gap measure. He said that recycling in Oregon is making money on the bottle law. They work beside the industry in Oregon, go directly to the distributors and buy the aluminum cans. He transports them back to his plant, shreds them, packs them and ships them out. He thought the destination was San Francisco. They do this at a profit. He said it is very likely that the esteemed resourcefulness of the Nevada Beverage industry will also find a way to make a profit through recycling concept. He told about senior citizens in California that pick up about 500 bottles a day and make about \$20. He also spoke about the letter from Adolph Coors, which is exhibit 2. 17

Larry Monroe, testified in favor of the bill. He showed a slide presentation showing journey of the bottle that is thrown away. The slides were taken in Las Vegas.

Ron Guidotti, 1855 Trainer Way, Reno, Nevada, testified next. His written testimony is attached.

Rick Alldredge, 959 Timble Drive, Reno, Nevada, a statistician for Department of Agriculture at University of Nevada at Reno, testified next. His statement is attached. Senator Sheerin remarked that Mr. Alldredge's presentation raises questions, but gives no answers. Mr. Alldredge said that was exactly what he intended to do. Senator Sheerin said he could not criticize this because no one else had come up with an answer either. One thing he was curious about was who is more correct. Does the Oregon law really reduce litter by 10 percent or by 9 percent. Mr. Alldredge said he couldn't tell because he didn't conduct the studies. He said the studies he had done, he thinks the figure is somewhere between there and his estimate is about 70 percent. Mr. Jacobsen remarked that he said he was little reserved to say he was a statistician. Mr. Alldredge said he thought the committee might be a little antagonistic toward some one who is reportedly a statistician. Senator Wilson asked Mr. Hagen about the trippage figures going from 23 to 24 on franchised soft drinks in Oregon. Mr. Hagen said he thought Mr. Alldredge was just using that as an example of how statistics are misused. Senator Wilson asked Mr. Alldredge what the total percentage was and if he had any figures on those. Mr. Alldredge said the trippages were different depending on the study. Mr. Weise said when we talk about trippage in Oregon bill regardless of whether its 23 or 24, that is trippage on 30 percent of the bottles in Oregon. The point he was trying to make is now that Oregon has 100 percent returnable bottles, is that trippage now to be attributed to the entire 100 percent. Someone from the audience answered yes. Mr. Weise said now instead of 30 percent of them making the circle all 100 percent of them are making that 25 trippage circle. Mr. Hagen said they weren't all bottles. The can has its place in Oregon. The extent that deposit bottles share increased in the market, you will find also the increase in deterrance by reason of the fact that trippage remained relatively the same. Mr. Weise said that if you have one bottle that is making the circle 25 times to take the place of 25 bottles that could be used one time, so that if you had all returnable bottles, you would be talking about much fewer bottles that would just make the circuit more often. Mr. Hagen said they were not replaceable bottles usually. He said the ADS study would give you the percentages.

Colleen Driscoll, Student, University of Nevada at Reno, 516 West Street, Reno, Nevada, testified next. Her written testimony is attached.

Norreen Gilb, 337 Moraine Way, Reno, Nevada, testified next. Her testimony is attached.

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Richard Kinner, General Manager, Pepsi Cola Bottling Company of Reno, Vice-President of Beverage Industry in Northern Nevada, Vice-President of California Nevada Bottlers Association, testified next. His written testimony is attached. Mr. Weise asked him to state the cost of 10 ounce six packs returnable. Mr. Kinner said that \$3.75 returnable and \$4.85 non-returnable in Washoe County. Senator Blakemore asked if all of you people who are thinking what about this have stopped to look at what is going to be the cost of a coke in Tonopah. He said the coke plant was forced to shut down in Tonopah just over this type of thing - cost. He wanted them to look at this very closely. He said you couldn't even buy coke in Tonopah for two years.

Paul Unruh, Unruh Turf Farm, P. O. Box 70, Minden, Nevada, testified in opposition to the bill. He opposed the bill because of the added cost to him and all of the consumers. He said it appeared that every kind of law that is passed and there is a problem, it is passed on to the consumer, and he would like to see that changed. He suggested that we enforce the laws we have on the books now - such as litter laws. He said if we have a law, enforce it. If we don't enforce it, take it off.

The meeting adjourned at 9:25 p.m.

Respectfully Submitted:

Kristine Zohmer  
Secretary

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Secretary

APPROVED BY:

[Signature]  
SENATOR THOMAS WILSON, CHAIRMAN

\_\_\_\_\_  
ASSEMBLYMAN ROGER BREMNER, CHAIRMAN



LIST OF EXHIBITS

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Exhibit A	Applied Decisions Systems Study*
Exhibit B	The Official Oregon "Bottle Bill" Study: An Explanation
Exhibit C	Bottle Bill Claims Vs. Bottle Bill Facts
Exhibit D	Official Oregon "Bottle Bill" Study, Summary and Conclusion
Exhibit E	Findings of Official Oregon "Bottle Bill"
Exhibit F	Memo from Tony Bacon
Exhibit G	Statement to the Subcommittee of the Legislative Emergency Board
Exhibit I	Memo from Gene Osborn
Exhibit J	Questionnaire
Exhibit K	Introduction
Exhibit L	Bottle and Can Usage - Reno and Tahoe
Exhibit N	Focus Youth Services; Focus; An Adjustment to Get a Clear Image**
Exhibit O	Kennametal; Letter to Senator Young; Scannings; Recycling Garbage for Fun and Profit; Photocopy of photographs
Exhibit P	Magazine entitled "Modern Metals"*
Exhibit Q	Publication entitled "JOM"*
Exhibit R	Environmental Control at Coors*
Exhibit 1	"The Economic Impact of Oregon's Bottle Bill"**
Exhibit 2	Letter to Michael Bell from W. K. Coors
Exhibit 3	Estimated Number of Litter Items by Class of Item
Exhibit 4	National Study of the Composition of Roadside Litter*
Exhibit 5	The Economic Impact of Oregon's "Bottle Bill"
Exhibit 6	Summary and Conclusions
Exhibit 7	Can we afford to throw away our soft drink and beer containers?
Exhibit 8	Challenge to the Throwaway Ethic
Exhibit 9	Background of "Bottle Bill"
Exhibit 10	General picture of "Bottle Bill"
Exhibit 11	" " " " "
Exhibit 12	Soft Drink Industry Profile
Exhibit 13	Nevada Tax Commission - Revenue Division - Carson City, Nevada
Exhibit 14	Newspaper Article
Exhibit 15	Estimated Consumption of Soft Drinks
Exhibit 16	Prototype Project for Burning of Shredded Refuse at Meramec Plant

\*These exhibits could not be reproduced due to their size. They are available in Room #335 in the Senate.

\*\*Portions of the exhibit were reproducible, but others were not. The unreproducible portion is available in Room #335 in the Senate.

There were many present at the hearing who did not wish to speak; however, they did leave written statements for the record. These are available in Room #335, in the Senate.

GUEST LIST

JOINT HEARING OF SENATE AND ASSEMBLY ENVIRONMENT AND  
PUBLIC RESOURCES COMMITTEES, FRIDAY, FEB. 21, 1975.

David Hagen	U. S. Brewers Assn.
Geo. L. Wagner	Can Mfg. Inst.
Bob Delbert	Coca-Cola, L.V.
Dick Kinner	Pepsi, Reno
Bill Kuhn	L.V. Dist. (Nev. Imp)
Jim Costello	L.V. Costello Bev.
Thalia Dondero	L.B. County Comm.
Jim Carmany	Juv. Court L.V.
Bob Yost	Youth Altern. L.V.
Ray ben David	Focus, L.V.
Steve Nicholas	" "
Joe Midmore	Bottlers, Reno
John Gallagher	Can Mfg. Inst.
Luis Peralta	Winnemucca
Debbie Sheltra	V & T Market, Reno
Russ Sheltra	" "
Sonny Di Grazio	Wells
Jim Miller	Douglas County
Charles Hecht	Mineral Water, L.V.
Larry Childress	Smith's Food King, L.V.
Chic Handright	Elko
Ken Gaunt	Food King, Reno
Mike Parenti	Pepsi, L.V.
David Drew	Coca Cola
Wendell Tobler	Market Owner, L.V.
Bill Brooks	7-Up, Reno
Bob Reed	7-Up, L.V.
Allan Block	Elko
Tom Knauflec	Dist. , Reno
Walt Martini	Senior Citizens
Curt Brown	Carson City Dist.
C.O. Watsch	Reno Dist.
Les Koefed	Gaming Ind.
John Gionnotti	Harrah's
Walt Beckman	Luce, Reno
Al Tamagni	Bonanza Hills
Larry Christensen	Nevada Distributing Co.
Ben Miller	Food King
Jack McCoy	Luce & Son, Reno
Walt Balliet	" "
Paul Unruh	Unruh Turf Farm
Bob Hemsath	A & H Liquor
Nancy Sawyer	Ben's Discount Liquor
Jack Frank	Kennametal
Al Caputo	OK Distributors

LEGISLATIVE COUNSEL BUREAU

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Terry Howe	Girl Scouts
Heidi Zimmerman	" "
Susan Gillie	" "
Kim Stoll	Student
Dr. C. M. Gudger	Oregon State Univ.
Susan Orr	Esta Institute
Noreen Gilb for Richard Alldredge	Citizen
Dennis Ghiglieri, Linda Bownan, Lenore Kosso, Hans Radtke	Cooperative Ext. Service
Larry Monroe	
Colleen Driscoll	Student UNR
Homer Anrig	Nevada Highway Dept.
Carolyn Ward	
Mary Fisher	
Ron Guido Hi	Sierra Club
Mark Elston	NV. State Community Pride
Michael Bell	Northern Nevada Coordinator