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MAINE ASSOC. OF REDEMPTION CENTERS
SOLID WASTE PRESENTATION

MAY 8TH, 1989
ENERGY & NATURAL RESOURCES COMM.
L.D. 932 & L.D. 1431

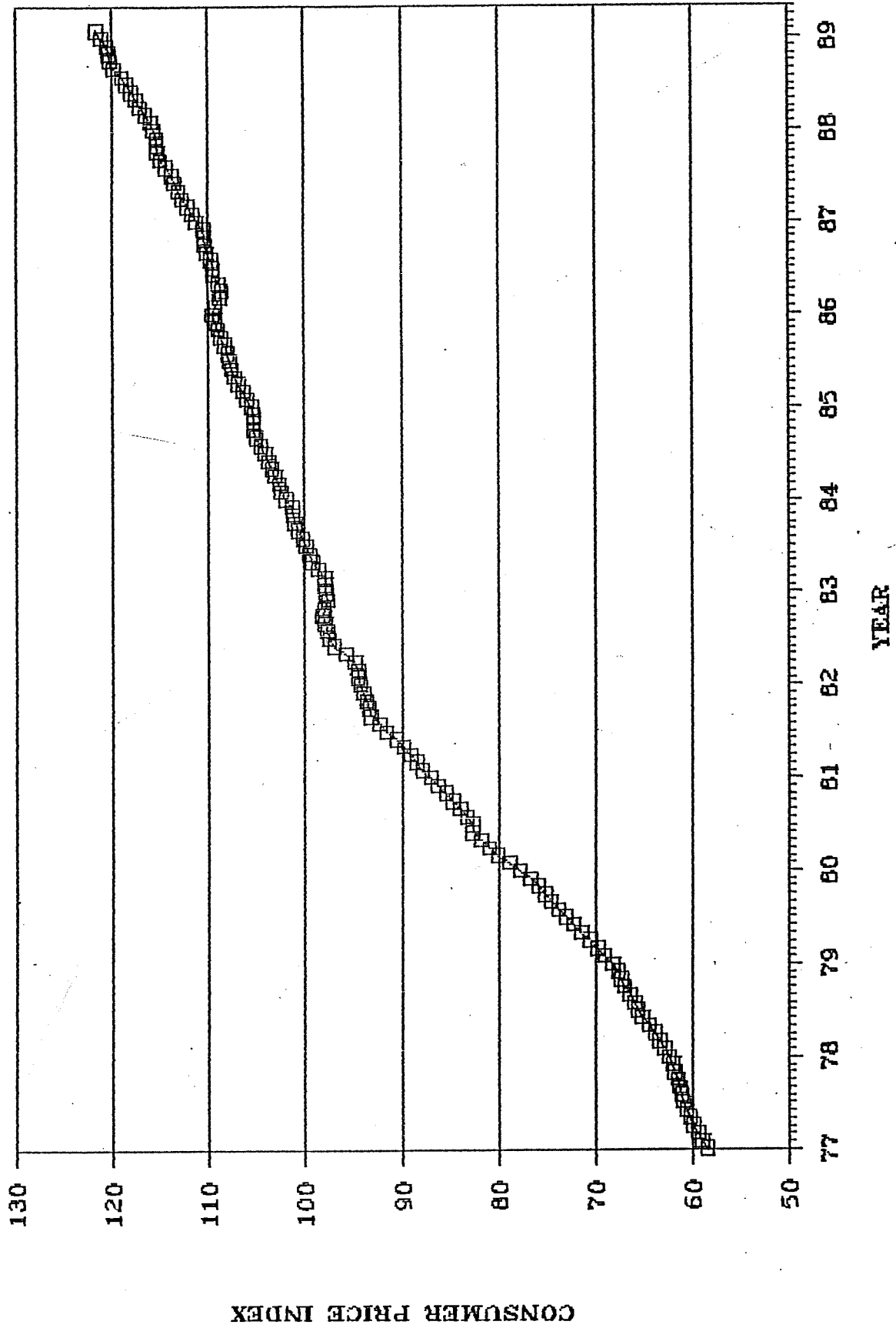
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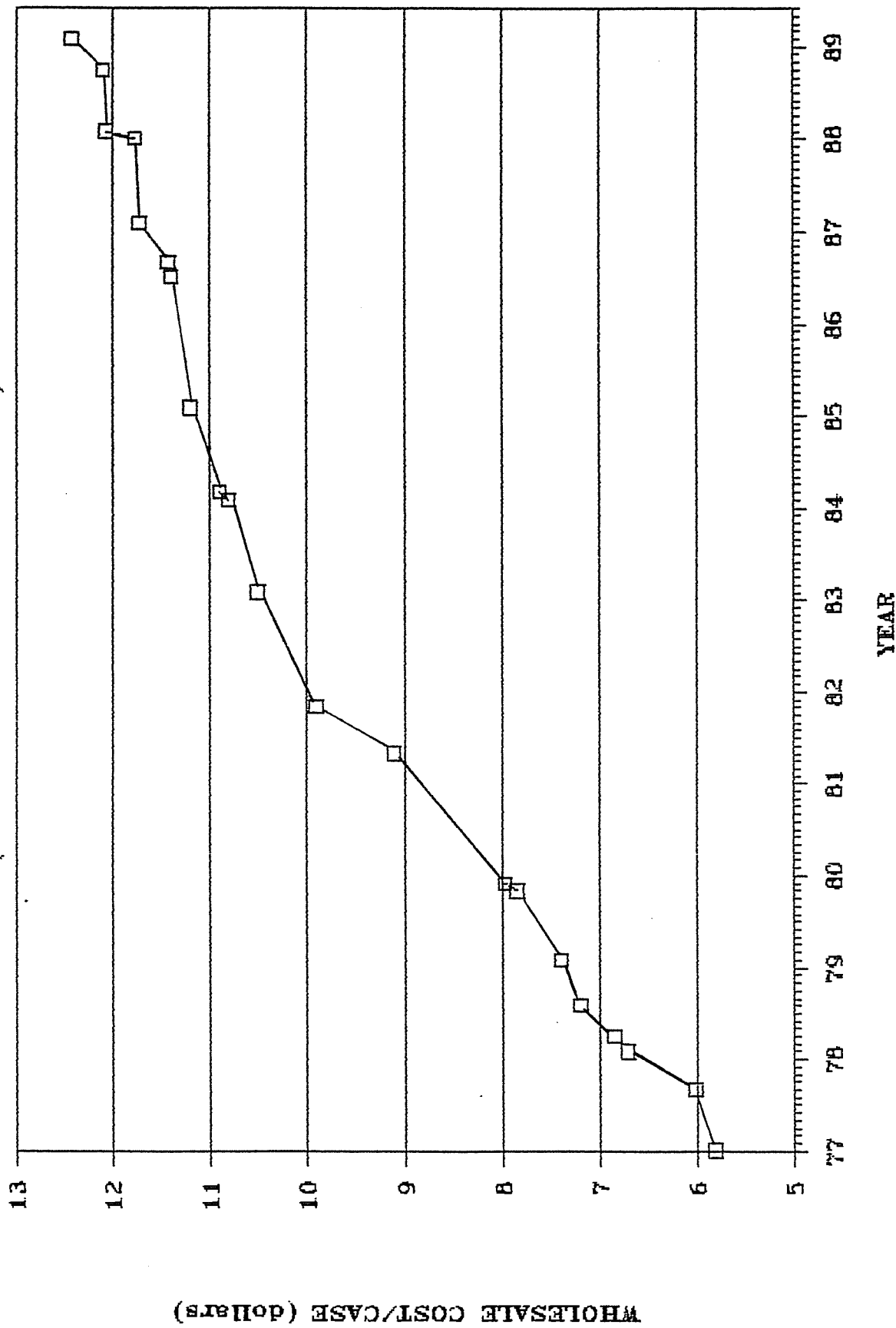
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CONSUMER PRICE INDEX (CPI-U)



WHOLESALE COST/CASE (contents only)

(National Distributors 12 oz. F.R.B)



SURVEY BY THE MAINE ASSOCIATION OF REDEMPTION CENTERS

INFORMATION	REDEMPTION ONLY	REDEMPTION & RETAIL SALES	TOTAL
# RESPONDING	50	26	76
# OF CONTAINERS	134,549,800	82,008,148	216,557,948
# OF EMPLOYEES	158	115	273

PERCENTAGE OF TOTAL EMPTIES RETURNED THROUGH REDEMPTION CENTERS
FOR VARIOUS RETURN RATES

% HANDLED BY REDEMPTION CENTERS	PERCENT RETURN RATE	% HANDLED BY REDEMPTION CENTERS	PERCENT RETURN RATE
21.7 %	100 %	48.1 %	75 %
38.8 %	(ME) 93 %	48.8 %	(NY) 74 %
40.1 %	90 %	51.6 %	70 %
42.5 %	85 %	55.5 %	65 %
45.1 %	80 %	60.2 %	60 %
45.6 %	(MA) 79.1 %	68.2 %	(CA) 52.9 %

Based on distributors testimony of 600,000,000 units sold in maine each year.

(ME) average based on distributors testimony that return rates for beer and soda are 95 % and 90 % respectively in Maine.

(MA) based on Massachusetts which requires distributors to report

(NY) based on New York which requires distributors to report

(CA) based on California which has a state run escheat system



SUBMITTED BY MAINE ASSOCIATION OF REDEMPTION CENTERS
(M.A.R.C.)

887 Forest Avenue, Portland, Maine 04103
(207) 773-8808

April 12, 1989

FACT SHEET - BOTTLE BILL HANDLING FEE

1. The bottle bill has the highest measure of public support of any bill in the history of Maine - 84% in favor by referendum in 1978.
2. The public was so supportive that the legislature passed an amendment to the bill increasing the handling fee to 2 cents per container in 1979 in order to maintain the bottle bill and provide fair compensation for the retailers, redemption centers and restaurants for handling 5 - 7% of the state's solid waste.
3. The handling fee for removing solid waste from the system has NOT increased since 1979. HOWEVER, since 1979:
 - a. Labor costs which amount to 45% or more of a redemption center's cost have risen between 20% and 100% throughout the state.
 - b. Workers' compensation has risen over 150%.
 - c. Health insurance has risen over 100%.
 - d. Rent costs, which amount to 15 - 20% of a redemption centers costs, have risen up to 300%.
 - e. The cost to municipalities of removing other solid waste has risen 65%.
 - f. The general cost of living as evidenced by the C.P.I. has risen 68%.
 - g. The price of the average case of Budweiser 12oz. FRB bottled beer has risen 71%.

A HANDLING FEE INCREASE IS IMPERATIVE NOW !

4. The legislature is contemplating expanding the bottle bill to include liquor, wine and juice, thereby increasing the amount of material that the bottle handlers will remove from the solid waste system to 10 - 14% of the total solid waste of the state. HOWEVER: We need a handling fee increase based on the present requirements of the bottle bill.
 - a. Any expansion will FURTHER INCREASE the cost to retailers, redemption centers and restaurants by increasing rent, labor and space requirements.
 - b. ANY EXPANSION of the solid waste handled by the redemption centers MUST BE COUPLED with an INCREASE of the handling fee to 4 cents!

5. In this, the year of THE WAR ON WASTE, the people that handle and remove 10-14% of the total solid waste in the state, in a system that is already in place and working, MUST BE COMPENSATED. The handling fee is a USER FEE and does not cost the taxpayer a penny!



MAINE ASSOCIATION OF REDEMPTION CENTERS
POSITION PAPER
2-17-89

1. The bottle bill has strong public support. The public voted against repeal by 84%-16%. This maybe the largest majority ever in a Maine referendum. Polls indicate that same strong support continues to exist today.
2. The beverage distributors have been against the bill right along and are fighting to cripple it now by advocating a bill to remove the handling fee.
3. The present bottle bill reportedly saves town and city landfills 5%-7% of their SOLID WASTE. The bottle bill cuts down litter substantially, further saving tax dollars and keeping our State clean. This has a very positive effect for our tourist industry.
4. The bottle bill is a USER FEE. The handling costs are built into the price by distributors. Therefore, the person who drinks the beer or soda pays for the removal of that product from the SOLID WASTE STREAM.
5. The bottle bill has the positive effect of keeping PROPERTY TAXES LOWER, as towns are saved dump space.
6. The bottle bill WORKS without any large state bureaucracy because private industry does the job with citizen support. Distributors say that 95% of the units are redeemed. We believe the real number is much closer to 85%. Either way, that is very successful.
7. The handling fee has stayed the same for almost a DECADE. Can you believe it! A DECADE without a raise. Everything else has gone up, including distributors' beverage prices. The C.P.I. (Consumer Price Index), has risen by approximately 70%. This would indicate the need to be at a handling fee of at least 3.4 cents NOW, under present circumstances.
8. The Maine Association of Redemption Centers believes in the bottle bill and its original intent and purpose as set out in Section 16, 32 MRSA, chap. 28. We applaud the wisdom and moxie of those in our government who had the foresight to enact this popular legislation.

Sec. 16 32 MRSA c. 28

- I. Legislative findings. The Legislature finds that beverage containers are a major source of nondegradable litter and solid waste in this State and that the collection and disposal of this litter and solid waste constitutes a great financial burden for the citizens of this State.

II. Intent. It is the intent of the Legislature to create incentives for the manufacturers, distributors, dealers and consumers of beverage containers to reuse or recycle beverage containers thereby removing the blight on the landscape caused by the disposal of these containers on the highways and lands of the State and reducing the increasing costs of litter collection and municipal solid waste disposal.

9. Redemption centers, stores and restaurants need a handling fee increase to 4 cents NOW!

10. The new items of juice, liquor and wine could remove an additional 5%-7% of the SOLID WASTE and further save taxpayers and landfill space NOW!

11. We philosophically agree with the addition of new items, however, we need to be fairly paid and we need an increase NOW! New items mean even more space and labor is needed and glass is harder to sort than cans.

12. We need some form of indexing, perhaps adjusted ONCE every five years to reflect the C.P.I. adjustment.

13. The State needs strong reporting requirements to measure the effectiveness of the bottle bill. A record of containers and deposits charged and redeemed needs to be kept monthly based on data supplied to the State by distributors.

14. There are presently three states with deposit legislation that have reporting requirements. Two of these states Massachusetts and New York have a handling fee and have return rates of 79% and 80% respectively. California without a handling fee reports less than a 50% return rate. It is obvious how crucial the incentive of a handling fee is to the success of the bottle bill.

Please contact the president of the Maine Association of Redemption Centers Richard Shappy with any questions or comments at 773-8808.

E

With the assistance of the committee, the Division of Motor Vehicles shall include a summary of this chapter with each reregistration and new vehicle operator license issued.

The Division of Motor Vehicles shall include a summary of this chapter in the next revision and printing of the driver license information materials and shall include at least one question concerning the contents of section 2265 in the driver's license examination.

§ 2276. Local regulations

Municipalities of this State may adopt more stringent ordinances, laws or regulations dealing with the subject matter of this chapter. Any less restrictive ordinances, laws or regulations now in effect dealing with the subject matter of this chapter and the minimum standards which it establishes are declared invalid and of no force and superseded by this chapter on its effective date.

Sec. 16. 32 MRSA c. 28 is enacted to read:

CHAPTER 28

MANUFACTURERS, DISTRIBUTORS AND DEALERS OF
BEVERAGE CONTAINERS

§ 1861. Purpose

1. Legislative findings. The Legislature finds that beverage containers are a major source of nondegradable litter and solid waste in this State and that the collection and disposal of this litter and solid waste constitutes a great financial burden for the citizens of this State.

2. Intent. It is the intent of the Legislature to create incentives for the manufacturers, distributors, dealers and consumers of beverage containers to reuse or recycle beverage containers thereby removing the blight on the landscape caused by the disposal of these containers on the highways and lands of the State and reducing the increasing costs of litter collection and municipal solid waste disposal.

§ 1862. Definitions

As used in this chapter, unless the context otherwise indicates, the following words and phrases shall have the following meanings.

1. Beverage. "Beverage" means beer, ale or other drink produced by fermenting malt, soda water or other nonalcoholic carbonated drink in liquid form and intended for human consumption.

2. Beverage container. "Beverage container" means a glass, metal or plastic bottle, can, jar or other container which has been sealed by a manufacturer and which, at the time of sale, contains one gallon or less of a beverage.

PUBLIC LAWS, 1975

3. Commissioner. "Commissioner" means the Commissioner of Agriculture.

4. Consumer. "Consumer" means an individual who purchases a beverage in a beverage container for use or consumption.

5. Dealer. "Dealer" means a person who sells, offers to sell or engages in the sale of beverages in beverage containers to a consumer, including, but not limited to, an operator of a vending machine containing beverages in beverage containers.

6. Department. "Department" means the Department of Agriculture.

7. Distributor. "Distributor" means a person who engages in the sale of beverages in beverage containers to a dealer in this State and includes a manufacturer who engages in such sales.

8. In this State. "In this State" means within the exterior limits of the State of Maine and includes all territory within these limits owned by or ceded to the United States of America.

9. Manufacturer. "Manufacturer" means a person who bottles, cans or otherwise places beverages in beverage containers for sale to distributors or dealers.

10. Operator of a vending machine. "Operator of a vending machine" means an owner of a vending machine, the person who refills it, or the owner or lessee of the property upon which it is located.

11. Person. "Person" means an individual, partnership, corporation or other legal entity.

12. Premises. "Premises" means the property of the dealer or his lessor on which the sale is made.

13. Use or consumption. "Use or consumption" means the exercise of any right or power over a beverage incident to the ownership thereof, other than the sale, storage or retention for the purpose of sale of a beverage.

§ 1863. Refund value

Every beverage container sold or offered for sale to a consumer in this State shall have a refund value. The refund value shall be determined by the manufacturer according to the type, kind and size of the beverage container, but shall not be less than 5¢.

§ 1864. Dealer as distributor

Whenever a dealer or group of dealers receives a shipment or consignment of, or in any other manner acquires, beverage containers outside the State for sale to consumers in the State, such dealer or dealers shall comply with this chapter as if they were distributors, as well as dealers.

§ 1865. Labels; stamps; brand names

1. Labels. Except as provided under subsection 2, the refund value shall be clearly indicated on every beverage container sold or offered for sale by a dealer in this State, by embossing, stamping, labeling or other method of secure attachment to the beverage container. The refund value shall not be indicated on the bottom of the container. Metal beverage containers shall be embossed or stamped on the top of the container.

2. Brand name. Glass beverage containers having a refund value of not less than 5¢ prior to the effective date of this chapter and having a brand name permanently marked thereon, shall not be required to indicate the refund value under subsection 1.

§ 1866. Application

1. Dealer acceptance. Except as provided in this section, a dealer shall not refuse to accept from any consumer or other person not a dealer any empty, unbroken and reasonably clean beverage container of the kind, size and brand sold by the dealer, or refuse to pay in cash the refund value of the returned beverage container as established by section 1863. This section shall not require an operator of a vending machine to maintain a person to accept returned beverage containers on the premises where the vending machine is located.

2. Permissive refusal by dealer. A dealer may refuse to accept from a consumer or other person and to pay the refund value on any beverage container, if the place of business of the dealer and the kind, size and brand of beverage container are included in an order of the department approving a redemption center under section 1867.

3. Distributor acceptance. A distributor shall not refuse to accept from any dealer or local redemption center any empty, unbroken and reasonably clean beverage container of the kind, size and brand sold by the distributor or refuse to pay to the dealer or local redemption center the refund value of a beverage container as established by section 1863.

4. Reimbursement by distributor. In addition to the payment of the refund value, the distributor shall reimburse the dealer or local redemption center for the cost of handling beverage containers, in an amount which equals at least 1¢ per returned container.

§ 1867. Redemption centers

1. Establishment. Local redemption centers may be established and operated by any person, subject to the approval of the commissioner, to serve local dealers and consumers, at which consumers may return empty beverage containers as provided under section 1866.

2. Application for approval. Application for approval of a local redemption center shall be filed with the department. The application shall state the name and address of the person responsible for the establishment and operation of the center, the kinds, sizes and brand names of beverage containers which will be accepted and the names and addresses of dealers to be served and their distances from the local redemption center.

3. Approval. The commissioner shall approve a local redemption center if he finds that the center will provide a convenient service for the return of empty beverage containers. The order approving a local redemption center shall state the dealers to be served and the kinds, sizes and brand names of empty beverage containers which the center shall accept.

4. Redemption center acceptance. A local redemption center shall not refuse to accept from any consumer or other person not a dealer any empty, unbroken and reasonably clean beverage container of the kind, size and brand sold by a dealer served by the center or refuse to pay in cash the refund value of the returned beverage container as established by section 1863.

5. Posted lists. A list of the dealers served and the kinds, sizes and brand names of empty beverage containers accepted shall be prominently displayed at each local redemption center.

6. Withdrawal of approval. The commissioner may review at any time approval of a local redemption center. After written notice to the person responsible for the establishment and operation of the local redemption center and to the dealers served by the center, the commissioner may, after hearing, withdraw approval of a local redemption center if he finds there has not been compliance with the approval order or if the local redemption center no longer provides a convenient service to the public.

§ 1868. Prohibition on certain types of containers and holders

No beverage container shall be sold or offered for sale to consumers in this State:

1. Flip tops. In a metal container designed or constructed so that part of the container is detachable for the purpose of opening the container without the aid of a separate can opener; and

2. Connectors. With containers connected to each other by a separate holding device constructed of plastic rings or other device or material which cannot be broken down by bacteria into basic elements.

§ 1869. Penalties

1. Civil violation. A violation of this chapter by any person shall be a civil violation for which a forfeiture of not more than \$100 may be adjudged.

2. Separate violations. Each day that such violation continues or exists shall constitute a separate offense.

Referendum; effective date. Sections 1 to 15 of this Act shall take effect 90 days after adjournment of the Legislature. Section 16 of this Act shall take effect 90 days after the adjournment of the Legislature only for the purpose of presenting it to the legal voters of the State of Maine at the general state-wide election to be held on the Tuesday following the first Monday of November following the passage of this Act.

The aldermen of the cities, the selectmen of the towns and the assessors of the several plantations of this State are empowered and directed to notify the inhabitants of their respective cities, towns and plantations to meet in the

manner prescribed by law for calling and holding biennial meetings of said inhabitants for the election of Senators and Representatives at the general state-wide election on the Tuesday following the first Monday of November following the passage of this Act, to give in their votes upon the acceptance or rejection of the foregoing Act, and the question shall be:

"Shall section 16 of 'AN ACT to Improve Solid Waste Management,' which section requires a minimum 5¢ deposit on all returnable beverage containers, as passed by the First Special Session of the 107th Legislature, become law?"

The inhabitants of said cities, towns and plantations shall indicate by a cross or check mark placed within a square upon their ballots their opinion of the same, those in favor of acceptance voting "Yes" and those opposed to acceptance voting "No" and the ballots shall be received, sorted, counted and declared in open ward, town and plantation meetings and return made to the office of the Secretary of State in the same manner as votes for Governor and Members of the Legislature, and the Governor and Council shall review the same and if it shall appear that a majority of the inhabitants voting on the question are in favor of section 16 of said Act, the Governor shall forthwith make known the fact by his proclamation and section 16 of the Act shall become effective January 1, 1978.

Secretary of State shall prepare ballots. The Secretary of State shall prepare and furnish to the several cities, towns and plantations ballots and blank returns in conformity with the foregoing Act, accompanied by a copy thereof.

Effective July 29, 1976

CHAPTER 740

AN ACT to Revise the Maine Criminal Code as Recommended by the Criminal Law Revision Commission.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the Maine Criminal Code as enacted by the 107th Legislature will soon become effective and several sections have been found to need amendment, correction or clarification; and

Whereas, the prompt correction of these problems will enable all sections of the Criminal Code, as amended, to become effective on the same date, enhancing an orderly transition to the application of the provisions of the new Code; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,



32 M.R.S.A. 1861 et seq.
STATE OF MAINE

Inter-Departmental Memorandum Date May 23, 1977

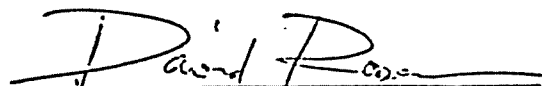
To Joseph N. Williams, Commissioner Dept. Agriculture
From David Roseman, Assistant Dept. Attorney General
Subject L.D. 662, An Act Relating to the Law Governing the Manufacturers, Distributors and Dealers of Beverage Containers

I am writing in response to your memo to me of May 20, 1977 regarding the above Legislative Document. You have asked generally whether pursuant to L.D. 662 the Commissioner and Department of Agriculture would have the authority to fully administer the so-called "bottle bill", 32 M.R.S.A. Chapter 28 § 1861 et seq., in accordance with its duly adopted regulations.

L.D. 662 clearly grants to the Commissioner and Department of Agriculture broad powers to adopt the necessary rules and regulations to fully carry out the statute, 32 M.R.S.A. Chapter 28 § 1861 et seq., in accordance with provisions of the law and the intent of the legislature. L.D. 662 is unambiguous in granting the Commissioner and Department the power to adopt necessary regulations and to fully administer, interpret and carry out the provisions of 32 M.R.S.A. Chapter 28 § 1861 et seq.

Thus, Section 1 of L.D. 662 states in part that "[t]his Chapter [Chapter 28] will be administered by the Department of Agriculture" Section 2 of L.D. 662 provides in part that "[t]he commissioner [of Agriculture] shall . . . adopt . . . reasonable rules and regulations as it [the Commissioner] deems necessary to carry out and interpret the provisions, purposes and intent of this chapter [Chapter 28, 32 M.R.S.A. § 1861 et seq.]" emphasis added. See also the Statement of Fact accompanying L.D. 662.

Accordingly, you correctly state, in the example you pose in your memo, that you would pursuant to L.D. 662 have the authority to adopt regulations to determine which types of container connectors complied with 32 M.R.S.A. § 1868, and which did not.


DAVID ROSEMAN
Assistant Attorney General

DR:jg

JOSEPH E. BRENNAN
ATTORNEY GENERAL



RICHARD S. COHEN
JOHN M. R. PATERSON
DONALD G. ALEXANDER
DEPUTY ATTORNEYS GEN

STATE OF MAINE
DEPARTMENT OF THE ATTORNEY GENERAL
AUGUSTA, MAINE 04333

February 16, 1978

Honorable Peter Truman
House of Representatives
State House
Augusta, Maine

Re: The Law Regarding Manufacturers, Distributors and Dealers
of Beverage Containers.

Dear Representative Truman:

This is in response to your oral request of February 6, 1978, to the Office of the Attorney General for an opinion on the following two questions, the answers to which are discussed herein:

1. Is a grocer or other retailer required under either statute or regulation to accept return of beverage containers at any time that his place of business is open? Yes.

2. Is a grocer or other retailer required by statute or regulation to accept return of beer bottles or cans at times when his place of business is open but is not allowed to sell beer or other alcoholic beverages? Yes.

DISCUSSION:

The legislation concerning beverage containers includes grocers and other retailers in the definition of "dealer" in Title 32 M.R.S.A. § 1862.5, and defines the obligations of dealers in Title 32 M.R.S.A. § 1866, which provides, in pertinent part, as follows:

"Dealer acceptance. Except as provided in this section, a dealer shall not refuse to accept from any consumer or other person not a dealer an empty, unbroken, and reasonably clean beverage container of the kind, size and brand sold by the dealer, or refuse to pay in cash the refund value of the returned beverage container as established by section 1863. . . ." (emphasis supplied)

Only exceptions in the statute from this provision are the exemption for certain vending machine operators and the general exemption for dealers in areas where redemption centers have been approved. Title 32 M.R.S.A. § 1866.1, Section 1866.2.

In enacting this legislation, the Maine Legislature stated that its intent was

"to create incentive for the manufacturers, distributors, dealers and consumers of beverage containers to reuse or recycle beverage containers. . . . " 32 M.R.S.A. § 1861.2.

As a general rule, words of the statute are to be construed according to the common meaning of their language. Title 1 M.R.S.A. § 72. In interpreting a statute, the primary concern is to give effect to the intention of the Legislature. Where the statute conveys a clear and definite meaning, the statute should be construed according to the natural and obvious import of its language. "without resorting to subtle and forced constructions for the purpose of either limiting or extending the operation." Pease v. Foulkes, 128 Me. 293, 298 (1929) (construing the statutes concerning the possession and sale of intoxicating liquors).

In view of the statement of the legislative concern for creating incentives for a system of returning beverage containers, and in view of the complete lack of any limitations or exemptions as to times wherein dealers must accept such containers, section 1861 must be read as mandatory. There is nothing in the legislation which would indicate that a dealer could establish limited times for accepting bottles. Nor does there appear to be any other reason why beer bottles and cans cannot be returned at all times, including those when alcoholic beverages may not otherwise be sold. The return of empty alcoholic beverage containers does not logically appear to involve the same public purpose as the prohibition of buying of filled containers of this kind. Accordingly, no reasonable purpose would be served by so limiting the hours when empty alcoholic beverage containers could be returned.

Sincerely,


DONALD G. ALEXANDER
Deputy Attorney General

DGA/ec

JOSEPH E. BRENNAN
ATTORNEY GENERAL



RICHARD S. COHEN
JOHN M. R. PATERSON
DONALD G. ALEXANDER
DEPUTY ATTORNEYS GENERAL

STATE OF MAINE
DEPARTMENT OF THE ATTORNEY GENERAL
AUGUSTA, MAINE 04333

February 16, 1978

Honorable Rodney S. Quinn
House of Representatives
State House
Augusta, Maine

Dear Representative Quinn:

We are responding to your request for advice from this office relative to matters set forth in a proposed joint resolution (S.P. 698). The proposed resolution would express the desire of the Legislature that the Department of Agriculture grant an additional 30-day grace period for retailers of certain beverages to bring themselves into compliance with the returnable container provisions set forth in 32 M.R.S.A. Chapter 28. You ask whether the Department of Agriculture has the authority to grant such grace period.

The statutory returnable beverage container provisions in question were enacted by the Legislature as P.L. 1975, Chapter 739, § 16, which was approved at a state-wide referendum held in November of 1976. The Department of Agriculture is identified as the enforcement agency and given the authority to issue the necessary rules and regulations in order to carry the provisions into effect. P.L. 1977, Chapter 381. Once the legislation was approved at referendum, it became effective on January 1, 1978. There is no provision in the statute for extending the effective date or to provide for grace periods.

It is our understanding that the Department of Agriculture has attempted to provide a reasonable method of requiring enforcement of the returnable container provisions and lessen any hardships upon retailers. Nevertheless, we note that there is no statutory authority for the grace period which the department has granted. It should also be noted that the Legislature has the legislative power to amend the statute to specifically grant such authority to the Department if the Legislature so desires. Art. IV, Pt. 3rd, § 1, Constitution of Maine.

Please continue to call on us whenever we may be of assistance.

Sincerely,

S. KIRK STUDSTRUP
Assistant Attorney General

SKS:mfe

(32 M.R.S.A. 1866)

JOSEPH E. BRENNAN
ATTORNEY GENERAL



RICHARD S. COHEN
JOHN M. R. PATERSON
DONALD G. ALEXANDER
DEPUTY ATTORNEYS GENERAL

STATE OF MAINE
DEPARTMENT OF THE ATTORNEY GENERAL
AUGUSTA, MAINE 04333

March 8, 1978

Honorable Peter Truman
House of Representatives
(Seat 151)
State House
Augusta, ME

Dear Representative Truman:

This is in response to your oral request for an opinion as to the following question: "Is a grocer required to accept and refund deposits on beverage containers which were initially purchased at another retail store?" A grocer is required to accept such bottles so long as they are of the kind and brand sold by that grocer, regardless of whether the bottles were initially purchased from the grocer or not.

Title 32 M.R.S.A. §1866 provides, as to dealer acceptance, that:

"Except as provided in this section, a dealer shall not refuse to accept from any consumer or other person not a dealer any empty, unbroken and reasonably clean beverage container of the kind, size and brand sold by the dealer"

The exception provided allows a dealer to refuse to accept such bottles if the dealer's store is included in the coverage of a redemption center licensed pursuant to Title 32 M.R.S.A. §1867. See Title 32, §1866.2. This section of the statute appears to be clear on its face in requiring that beverage containers be accepted regardless of the place of purchase, based only on the brand or size of bottle involved. See generally 32 M.R.S.A. §1861 as to the purpose and intent of the legislation.

If we can be of further help to you in this matter, please do not hesitate to let us know.

Sincerely,

SARAH REDFIELD
Assistant Attorney General

SR/glm

To Robert Clark
Sarah Redfield, Assistant
Subject Bottle Bill

Dept. Agriculture
Dept. Attorney General

This is in response to your request of April 11, 1978, for an opinion of the Attorney General as to whether the Department of Agriculture may, consistent with Title 32 M.R.S.A. C. 28 (hereinafter sometimes referred to as the "bottle bill") limit, by regulation, the hours during which stores must accept returnable beverage containers and/or the number of such containers which can be returned at one time. The Department of Agriculture does not have the authority to so act.

Title 32 a.R.S.A. § 1871 provides that the Department of Agriculture shall, in accordance with the Administrative Code, adopt, amend or repeal "such reasonable rules and regulations as it deems necessary to carry out and interpret the provisions, purposes and intent of this chapter." In adopting administrative regulations, an agency does not have uncontrolled discretion, but is limited by the policy and purpose set out by the Legislature. See e.g. Small v. Board of Registration & Examination in Optometry, 283 A.2d 786 (Me., 1972). Title 32 M.R.S.A. § 1866 specifically provides that,

"Except as provided in this section, a dealer shall not refuse to accept from any consumer or other person not a dealer any empty, unbroken and reasonably clean beverage container of the kind, size and brand sold by the dealer" (emphasis supplied)

The exceptions provided in this section are for operators of vending machines who are not required to accept returnable containers on the premises where the vending machine is located, and for dealers whose place of business is within the jurisdiction of a local redemption center approved by the Department of Agriculture. See Title 32 M.R.S.A. § 1866.1 and § 1866.2, respectively. No other exceptions are specified by statute.

It appears from the legislative history that at one point the Legislature considered making dealer acceptance discretionary. See L.D. 2315 of the 1st Special Session of the 107th Legislature, at section 1866.1; compare § 1866.1 as enacted. It also appears that the Legislature was aware of the potential problems for small stores. See, e.g. testimony of Representative Laffin, Legislative Record, 1975, at B 1149-50. In view of the Legislature's actions, it does

MAY 25 1978

not appear appropriate for the Department to enlarge the areas in which a permissive refusal by a dealer will be acceptable.

In this regard, you have, in conjunction with your opinion request, provided me with a copy of the rules and regulations of the Environmental Protection Division of the State of Vermont, which rules and regulations apparently provide that retailers may establish hours for the redemption of beverage containers pursuant to Vermont's equivalent of the Maine bottle bill.

The returnable beverage container legislation of the State of Maine was substantially patterned after that of the State of Vermont. Compare 32 M.R.S.A. §§1861, et seq. with 10 V.S.A. §§ 1521, et seq. Where a state adopts a statute of another jurisdiction, it is generally appropriate to construe the statute with reference and in relationship to the construction of statute of the jurisdiction where it was originally enacted. See, e.g., Sutherland, Statutory Construction, c. 52. The Vermont legislation provides that "a retailer shall not refuse to accept from any person any empty beverage containers of the kind, size and brand sold by the retailer. . . ." The Vermont statute also provides for exceptions for a retailer in an area within the jurisdiction of a redemption center. However, in addition to these provisions, which are very similar to those of the State of Maine, the Vermont statute, requiring mandatory acceptance of beverage containers by dealers, has an explicit exception "as provided in section 1522." Title 10 V.S.A. § 1522 provides, in pertinent part that,

"The secretary shall prepare and print suitable posters for sale, at cost, to persons who wish to post the hours during which containers will be redeemed at their places of business. Containers shall be redeemed during no fewer than 40 hours per week during the regular operating hours of the establishment. The posters shall be substantially in the following form: (example of appropriate notice as to hours indicated in the statute)."

Inasmuch as the Maine statute tracks the Vermont statute in many ways, the failure of the Maine Legislature to include an exception such as that specifically indicated in the Vermont statute, indicates that it was not the intention of the Maine Legislature that such limitations be allowed. Accordingly, it is not within the statutory authority of the Department of Agriculture to add by regulation an exception not provided by statute.

Sarah Redfield
SARAH REDFIELD
Assistant Attorney General

SR:mfe
cc: Clayton Davis

JOSEPH E. BRENNAN
ATTORNEY GENERAL



RICHARD S. COHEN
JOHN M. R. PATERSON
DONALD G. ALEXANDER
DEPUTY ATTORNEYS GENERAL

STATE OF MAINE
DEPARTMENT OF THE ATTORNEY GENERAL
AUGUSTA, MAINE 04333

April 25, 1978

To: Robert Clark, Department of Agriculture
From: Sarah Redfield, Assistant Attorney General
Re: Bottle Bill

This is in response to your oral request for enforcement action to be instituted against Knox Distributors of Rockland, Maine, for alleged violations of Title 32 M.R.S.A. § 28 (hereinafter sometimes referred to as the "bottle bill"). The material which you submitted in conjunction with this request indicates that Knox Distributors apparently sold containers without labels as to refund value and cans with flip-top openings to various retail stores. For the reasons discussed herein, I do not intend, as a matter of prosecutorial discretion, to proceed with any enforcement action against Knox Distributors in the present case. Please be advised that this memorandum is limited to the alleged violation by Knox Distributors of Sections 1868 and 1863 of the bottle bill and the factual data supplied to us; it is not meant to indicate any finding as to any other possible factual context or other possible illegal conduct by beverage distributors.

Title 32 M.R.S.A. § 1869 provides that a violation of the Maine laws concerning beverage containers shall be a civil violation for which a forfeiture of not more than \$100 may be adjudged. Title 32 M.R.S.A. § 1868 provides, in pertinent part, that

"No beverage container shall be sold or offered for sale to consumers in the State: (emphasis supplied)

"1. Flip-tops. In a metal container designed or constructed so that part of the container is detachable for the purpose of opening the container without the aid of a separate can opener;"

Title 32 M.R.S.A. § 1863 provides that:

"Every beverage container sold or offered for sale to a consumer in this State shall have a refund value." (emphasis supplied)

Title 32 M.R.S.A. § 1865 indicates that this refund value shall

"be clearly indicated on every refundable beverage container sold or offered for sale by a dealer in this State."

The term "consumer" is defined by Title 32 M.R.S.A. § 1862.4 to mean "an individual who purchases a beverage in a beverage container for use or consumption."

The term "use or consumption" is also defined by Title 32 M.R.S.A. § 1862.13 as "the exercise of any right or power over a beverage incident to the ownership thereof, other than the sale, storage or retention for the purpose of sale of a beverage." (emphasis supplied)

In construing a statute, the basic principle is that where the language of the statute is clear and unambiguous and conveys a clear and definite meaning, there is no occasion to resort to rules of statutory interpretation or to impose other meanings on the terms of the statute. See, e.g., State v. Granville, 336 A.2d 861 (Me., 1975). In addition, the Courts of the State have consistently held that nothing in the statute is to be considered as "surplusage" if a reasonable construction supplying meaning and force to the terms is possible. See, e.g., Finks v. Maine State Highway Commission, 328 A.2d 791, 799 (Me., 1974).

Applying these general principles to the provisions of the bottle bill indicates that the use of the language emphasized in the above quotations places legal significance at the point of sale to the consumer as defined. While there is some ambiguity in that sales by distributors are, ultimately, for consumers, it appears that transactions occur at the level of dealer-consumer transactions involving containers not properly labeled or containers with flip-top openings. This appears to be the more natural meaning of these sections. Where there is no manifest legislative intent otherwise, statutes are to be read according to the natural import of the terms used, without resorting to forced constructions for the purpose of either limiting or extending their operation. See, generally, In Re Belgrade Shores, Inc., 359 A.2d 59 (Me., 1976). In this regard, I was unable to find any legislative history which would document an interpretation placing the legal obligation on the distributor. (See, e.g., Legislative Documents Nos. 2315 and 2250 submitted and rejected by the 107th Legislature, which proposals would have placed the burdens of compliance with the law more directly on the distributor.)

Accordingly, although the sale of beverage containers by a distributor to a dealer is, as previously noted, presumably, in the final analysis, for the purpose of selling or offering to sell such containers to a consumer, such a reading of the prohibitory language of the bottle bill appears rather indirect; accordingly, I am unwilling, in the exercise of the State's prosecutorial discretion, to proceed in this matter at this time as you have requested.

Sarah Redfield
SARAH REDFIELD
Assistant Attorney General

SR/ec

cc: Joe Williams

JOSEPH E. BRENNAN
ATTORNEY GENERAL



32 M.R.A., 1566
Maine's handling charge under Bottle Bill
Dept. of Agriculture. Scope of authority to regulate
change
RICHARD S. COHEN
JOHN M. R. PATERSON
DONALD G. ALEXANDER
DEPUTY ATTORNEYS GENERAL

STATE OF MAINE
DEPARTMENT OF THE ATTORNEY GENERAL
AUGUSTA, MAINE 04333

* 531

May 2, 1978

To: Clayton Davis, Director, Division of Inspections, Department
of Agriculture

From: Sarah Redfield, Assistant Attorney General

Re: Returnable Beverage Containers, Manufacturers Handling Charges

This is in response to your memo of March 3, 1978, in which you ask for an opinion of the Attorney General's Office concerning the charging by a manufacturer of beverages to a distributor of such beverages of a 24 cents per case "handling charge." You indicate in your memo that the extra handling of shells and containers required by Title 32 M.R.S.A., c. 28 (hereinafter sometimes referred to as the "bottle bill") in fact falls upon the distributors and not the bottlers or manufacturers. Nevertheless, this charge is not unlawful pursuant to the bottle bill.

In passing the returnable beverage legislation, the Maine Legislature considered and rejected several options and approaches to the question of disposal of beverage containers. One such option was L.D. 1889 proposed in the Regular Session of the 107th Legislature. This legislation, if adopted, would have defined "beverage container" in a manner which would have required beverage containers to be refillable and would have left all other matters of implementation of the law to the private sector. The Statement of Fact for L.D. 1889 explicitly provided that if enacted it would allow "normal economic considerations to determine its implementation." Another option was proposed in the First Special Session of the 107th Legislature by L.D. 2250 which would have set up a distribution tax and legislatively allocated the financing of the bottle bill to distributors. The legislation actually adopted is somewhere between these in that it provides for a minimum deposit and also for reimbursement of one cent per container by a distributor to a dealer. See,

generally, 32 M.R.S.A. § 1866. While you may be correct that the actual increase in cost for handling the returnable beverage containers falls on the distributor, as opposed to the bottler, this distribution of costs between the manufacturer and distributor is not addressed by the bottle bill. Inasmuch as the statute itself does not explicitly address the situation, and the legislative history shows no manifest intent that the State regulate the situation, it is beyond the scope of the authority of the Department of Agriculture to concern itself with this activity. See, generally, State v. Fin & Feather Club, 316 A.2d 351 (Me., 1974) and, compare, Small v. Maine Board of Registration and Examination in Optometry, 293 A.2d 786 (Me., 1972), concerning authority of administrative agencies.

Sarah Redfield

SARAH REDFIELD

Assistant Attorney General

SR/ec

JOSEPH E. BRENNAN
ATTORNEY GENERAL



RICHARD S. COHEN
JOHN M. R. PATERSON
DONALD G. ALEXANDER
DEPUTY ATTORNEYS GENERAL

STATE OF MAINE
DEPARTMENT OF THE ATTORNEY GENERAL
AUGUSTA, MAINE 04333

May 2, 1978

To: Robert Clark, Division of Inspections, Department of
Agriculture

From: Sarah Redfield, Assistant Attorney General

Re: Returnable Beverage Containers, Distributor Handling Charges

This is in response to your memorandum of February 2, 1978, in which you ask the opinion of this office as to whether it is legal for beverage distributors to sell to dealers, for six cents deposit stickers requiring a five cent deposit. It is my understanding from your memorandum, from my conversation with Robert Solman of Solman Distributors of Caribou, Maine, and from the letter from the various Aroostook County distributors (a copy of which is attached), that it was the practice of some distributors to provide such deposit stickers to be placed on beverage containers already in retail stores on the effective date of the bottle bill, which containers did not bear the necessary refundable label. The distributors charged the dealers six cents for stickers indicating a five cent deposit. It is my further understanding that other distributors now charge dealers the additional one cent per returned container contemplated by 32 M.R.S.A. § 1866.4 when initially billing the dealers for the full beverage containers. In the latter situation, it is my understanding that, at least in some cases, the charging of this one cent has been explicitly and separately described as a charge for this handling charge.

The question presented does not lend itself to simple analysis. On the one hand, it would seem that relationships among manufacturers, distributors, dealers and consumers are most properly determined in the private sector without governmental regulation.* On the other

* In this regard, please refer to the opinion of this date from me to Clayton Davis concerning "handling charges" imposed on the distributor by the manufacturer.

hand, the Legislature of the State of Maine has seen fit to enact legislation governing these relationships to some extent. As discussed herein, while the question is not entirely free from doubt, it appears that the Legislature did not intend the bottle bill to proscribe the charges described above, and that the practice you have brought to our attention is not unlawful pursuant to Title 32 M.R.S.A., c. 28.

The legislative history of the bottle bill indicates that several alternative approaches to container regulation were considered. In the Regular Session of the 107th Legislature, legislation was introduced as L.D. 1889, which legislation stated as its purpose the following:

"It is the intent of this new draft to provide for consideration by the Legislature and by the people of Maine of a Returnable Beverage Container Act which if enacted would allow normal economic considerations to determine its implementation."

In debate on the various proposals for legislation concerning returnable containers, Representative DeVane described L.D. 1889 as follows:

"L.D. 1889 is what I would term a bare bones bill, a bare bones approach requiring returnable containers. It defines less, but it prohibits the same thing, believing that that which governs best governs, least and believing that the economy, the matter of being able to make a living would determine who does what and it is best that that happened that way."

The bill itself prohibited any person from selling or offering to sell any beverage in a beverage container except as that word was defined by § 1862 of the bill. In turn, § 1862 provided that "beverage container" would mean

"a glass or plastic bottle, jar or other container which has been sealed by a manufacturer and which, at the time of sale, contains one gallon or less of a beverage and which can be returned for deposit and refilled for reuse five or more times or a metal can which has been sealed by a manufacturer and which at the time of sale contains one gallon or less of a beverage and which can be recycled and shall be returnable for a deposit of 3 cents or more."

further allocation of responsibility or liability was included.

L.D. 1889 was not enacted in the 107th Legislature. The legislative Document which came closest to enactment in that session was L.D. 1888. This bill is similar in form to that which is currently the law of the State of Maine. L.D. 1888 provided in the section then numbered 1865.3 that

"In addition to payment of the refund value of a beverage container, a dealer or person operating a redemption center under section 1866 who redeems beverage containers shall be reimbursed by the distributor of such beverage containers in an amount which is at least one cent per container."

This was the first time a provision for reimbursement by a distributor was included in the various documents submitted to regulate returnable beverage containers. Cf. L.D. 1289 of the 105th Legislature; L.D. 12 and L.D. 1913 of the 107th Regular Session. This provision remained in substantially the same form in subsequent drafts of the bill. See, e.g., L.D. 2315 of the Special Session of the 107th Legislature, § 1866.3; L.D. 2248, Special Session of the 107th Legislature, § 1867.5; L.D. 2249, Special Session of the 107th Legislature, § 1867.5.

The Legislature rejected the option of leaving the financial procedures of the bottle bill entirely to the private sector for determination. Instead, the Legislature established a minimum deposit of five cents and left to the manufacturer the actual fixing of the refund value beyond this amount. See 32 M.R.S.A. § 1863. The Legislature also enacted a provision establishing a handling charge of one cent per returned container. As finally enacted, this provision provides as follows:

"In addition to the payment of the refund value, the distributor shall reimburse the dealer or local redemption center for the cost of handling beverage containers, in an amount which equals at least one cent per returned container," 32 M.R.S.A. § 1866.4.

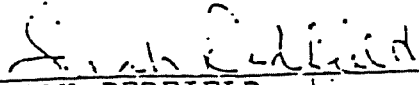
This section establishes a mandatory payment by the distributor to the dealer or redemption center for each returned container; however, the statute is silent as to whether or not this one cent could or should have been passed on to the dealer by the distributor. Based on the statutory analysis discussed herein, without a specific prohibition or more precise legislative statement in this regard, the statute may not properly be construed to make unlawful the approach used by distributors as described in your memorandum.

The basic principles of statutory construction establish that the Legislature is presumed not to have undertaken a meaningless act, that the intent of the Legislature is of primary importance, that no section or word of a statute is to be considered as surplusage, and that the Legislature is presumed to have acted in a manner which is constitutional. See, e.g., generally, State v. Granville, 336 A.2d 861 (Me., 1975), Finks v. Maine State Highway Commission, 328 A.2d 791 (Me., 1974) and In re Spring Valley Development, 300 A.2d 736 (Me., 1973).

While the inclusion of the provision for reimbursement for the cost of handling may be read to be a legislative determination that the cost of handling be borne by the distributor, this interpretation does not appear appropriate in view of these principles of statutory construction. It is clear that the Legislature did not intend that the bottle bill fix or regulate the price of beverages. See 32 M.R.S.A. § 1861. So long as this is the case, the reimbursement for the "cost of handling" contemplated by § 1866.4 could lawfully be incorporated as part of the cost and/or profit at any point in the distribution process. It is only because of the distributor's labelling the one cent as a separate figure attributable to § 1866.4 of the bottle bill that this matter comes to our attention at all. The enactment by the Legislature of § 1866.4 would be a meaningless effort to fix a charge on the distributor so long as the distributor remains able to freely set prices at all.

The interpretation of § 1866.4 which would prohibit the distributors from charging the one cent to the dealers is therefore not supported by the standard presumptions of statutory construction as to meaningful legislative intent. At the same time, to say that § 1866.4 does not prohibit a distributor from charging a dealer the one cent per container handling charge is not to say that the section is mere surplusage. The section is necessary to address the situation where a person returns bottles to a local redemption center and not to the dealer from whom the bottles were purchased. In this case, the Legislature has determined that a one cent payment be made to the local redemption center.

In conclusion, in view of the legislative history of the enactment of the bottle bill and the apparent applicability of the various accepted principles of statutory construction, it appears that the practice described in your memorandum and communication from Solman Distributors of charging a dealer six cents for a five cents deposit sticker, where one cent is apparently intended to reimburse the distributor for the one cent payment contemplated by § 1866.4, is not made unlawful by the bottle bill. Similarly, distributors who are charging this one cent to dealers as compensation for the one cent provided for in § 1866.4 are not acting in violation of this section of the bottle bill.


SARAH REDFIELD

Assistant Attorney General



STATE OF MAINE
DEPARTMENT OF THE ATTORNEY GENERAL
AUGUSTA, MAINE 04333

August 31, 1978

Honorable Bonnie Post
Star Route 2
Owl's Head, Maine 04854

Dear Representative Post:

This is in response to your request dated August 24, 1978, for an opinion as to whether distributors may refuse to accept returnable beverage containers where such containers are not in case lots. Distributors may not refuse to accept such containers.

Title 32 M.R.S.A. § 1856 provides, in pertinent part, as follows:

"A distributor shall not refuse to accept from any dealer or local redemption center any empty, unbroken and reasonably clean beverage container of the kind, size and brand sold by the distributor or refuse to pay to the dealer or local redemption center the refund value of a beverage container as established by Section 1853." (Emphasis supplied)

In construing a statute when the language of the statute is clear and unambiguous on its face and conveys a clear and definite meaning, there is no occasion to resort to rules of statutory interpretation or to impose other meanings on the terms of the statute. See, e.g., State v. Granville, 336 A.2d 861 (Me., 1975). Where there is no manifested legislative intent to the contrary, statutes are to be read according to the natural import of the terms used, without resorting to any statutory construction for the purpose of limiting or extending the operation of the provision. See, generally, In re Belgrade Shores, Inc., 359 A.2d 59 (Me., 1976). In this regard, the use of the language emphasized in the above quotation would indicate that the additional prerequisite which you have described (that is, requiring the containers to be in case lots) would not be lawful.

Honorable Bonnie Post
August 31, 1978
Page two

I hope this information has been helpful to you. If you should have any other questions, please feel free to contact us further.

Very truly yours,

Joseph E. Brennan
JOSEPH E. BRENNAN
Attorney General

JEB:SR:we

JOSEPH E. BRENNAN
ATTORNEY GENERAL



RICHARD S. COHEN
JOHN M. R. PATTERSON
DONALD G. ALEXANDER
DEPUTY ATTORNEYS GENERAL

STATE OF MAINE
DEPARTMENT OF THE ATTORNEY GENERAL
AUGUSTA, MAINE 04333

October 11, 1978

Honorable Sandra K. Prescott
Box 11
Bangor, Maine 04401

Re: Deposit on Bottle Shells

Dear Representative Prescott:

This is in response to your request to the Attorney General for an opinion as to the legality of a distributor initiating a deposit of 6 cents on all nonrefillable bottle shells. You have attached with your opinion request a copy of a letter from Maine Distributors to its customers indicating that as of September 25, 1978, they will refund 6 cents on empty bottle shells for their products. The so-called "bottle bill," 32 M.R.S.A. § 1861, et seq. does not regulate this practice and there appears to be no basis for finding it unlawful.

In many ways your question is similar to one answered by this office earlier this year concerning the practice of distributors' providing deposit stickers to be placed on beverage containers for a price of 6 cents, where the stickers indicated a 5 cent deposit. It was our opinion that this practice was not covered by the bottle bill. (A copy of this opinion is attached hereto for your information.)

Generally, Title 32 M.R.S.A. § 1863 provides that:

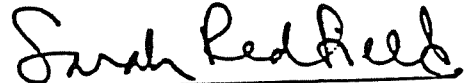
"Every beverage container sold or offered for sale to a consumer in this State shall have a refund value. The refund value shall be determined by the manufacturer according to the type, kind and size of the beverage container, but shall not be less than 5 cents."

"Beverage container" is also defined by statute as:

"A glass, metal or plastic bottle, can, jar or other container which has been sealed by a manufacturer and which, at the time of sale, contains one gallon or less of a beverage."

When the terms of this definition are given their common meaning, "beverage container" does not appear to encompass the shells which you have described. (See, generally, State v. Granville, 336 A.2d (Me., 1975), concerning the construction of the language of a statute which is plain and unambiguous.) Given the language of the section governing deposits on beverage containers and the silence of the statute as to other deposits, it seems that the Legislature left this matter to the private marketplace. Accordingly, the practice which you have described is not made unlawful by the provisions of Title 32 M.R.S.A. § 1861, et seq.

If I can be of further assistance, please feel free to let me know.



SARAH REDFIELD

Assistant Attorney General

SR:jg
Enclosure

RICHARD S. COHEN
ATTORNEY GENERAL



bcc: Steve Diamond

STATE OF MAINE
DEPARTMENT OF THE ATTORNEY GENERAL
AUGUSTA, MAINE 04333

32 MRS 1861 et seq

September 12, 1980

Asher D. Chambers
21 York Street
Caribou, Maine 04736

Dear Mr. Chambers:

This will confirm our recent telephone conversation concerning the matters raised in your letter to Representative Mathews dated July 16, 1980.

You told me that the bottles at issue bore no labeling other than the sticker and embossment described in the second paragraph of your letter. You wrote that the sticker simply reads "Butterfield Bottling Co., Old Town, Maine," and notes that a 5¢ deposit applies. The embossment consists of the words "no refill." You also told me that these bottles were purchased by your granddaughter at some point along the way from Lincoln to your Caribou residence.

The returnable beverage container law is codified as sections 1861 through 1871 of Title 32 of the Maine Revised Statutes. Section 1867, subsection 4 requires a local redemption center to accept for return any empty, unbroken and reasonably clean beverage container of the kind, size and brand sold by the dealers served by that center.

A local redemption center must designate these dealers and the kinds, sizes and brands of beverage containers sold by them in its application for approval by the Department of Agriculture, Food and Rural Resources. The order approving the application must also contain this information. Additionally, the center must prominently display the same information at the center itself. (Section 1867, sub-sections 1, 3, 4 and 5).

Department personnel confirmed what I suggested to you: that the type of bottle you described is not included in the order of approval for the Caribou Redemption Center as one sold by the dealers it serves. Your granddaughter either purchased them from a Caribou dealer not served by the center or, more probably, purchased them outside the Caribou area. The center's refusal to accept those bottles from you was lawful. To obtain your refund, you will have to present these bottles to a dealer who sells that bottle or to a local redemption center who serves him.

BEVERAGE CONTAINERS

As we discussed, distributors are only obligated to accept for return from local redemption centers (and pay applicable deposits and handling charges thereon), bottles of the kind, size and brand sold by such distributors. (Section 1866.3). It seems that the distributors serving the Caribou area do not sell beverages bottled by Butterfield Bottling Co. Thus, if the Caribou Redemption Center had accepted the bottles in question from you and had paid the applicable deposit, it would have done so at its own risk.

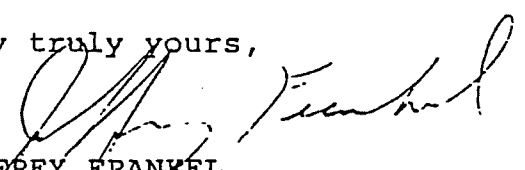
You mentioned that one Caribou dealer sells soda in the exact same bottles as the ones your granddaughter bought, except that the circular label bears the name of a different bottline company. Assuming that this dealer is served by the center, you felt that the center should be obligated to accept the Butterfield bottles inasmuch as the two types are identical except for the bottler named on the small label. You told me that this label peels off quite easily.

This question hinges on a consideration of the meaning of the word "brand" as used in the law, which is not defined. Only if the two types of bottle can be deemed to be of the same brand would the Caribou redemption center be obligated to accept the Butterfield bottles. A brand is usually thought of as the name of a product, which may or may not be the same as or similar to the name of the manufacturer of that product. Where the only identifying mark on a beverage container is the name of the bottler, in my opinion that name should be considered its "brand" for purposes of the returnable beverage container law. For this reason the Caribou Redemption Center would not be obligated to accept the Butterfield bottle even though it must accept a nearly identical counterpart which is sold by a member dealer.

You felt that this result is illogical in that the bottles themselves are the same. The only explanation I can suggest to you is that the limitation of distributors' acceptance obligations to bottles of the kind, size and brand sold by them provides at least some protection against distributors having to pay deposits and handling charges on bottles greatly in excess of the number sold by them. This is particularly important in the case of non-refillable bottles, such as the ones you wrote about, which distributors can re-use.

For your information, a copy of the law is enclosed. If I can be of further assistance, please feel free to contact me.

Very truly yours,

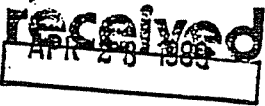


JEFFREY FRANKEL

Assistant Attorney General

JF:jg





Regional Waste Systems, Inc.

Corporate Members

Bridgton
Cape Elizabeth
Casco
Cumberland
Falmouth
Freeport
Gray
Harrison
Hollis
Limington
Lyman
North Yarmouth
Ogunquit
Portland
Pownal
Scarborough
South Portland
Waterboro
Windham
Yarmouth

April 21, 1989

Mr. Peter E. Welch, Director
Maine Association of Redemption Centers
887 Forest Avenue
Portland, Maine 04103

Dear Mr. Welch:

Esther Clenott asked me to respond to your letter of March 28, 1989 regarding beverage container recycling. The basis of my response is the Recycling Plan adopted by the RWS, Inc. Board of Directors on behalf of the twenty towns and cities the Board members represent.

The Plan concludes that increased recycling is a cost-effective and prudent solid waste management practice for this region. It identifies beverage containers as one wastestream component where opportunities for increased recycling exist. Where that recycling can occur as a private market function and costs can be supported by user fees rather than taxes, everyone benefits. RWS, therefore, supports the principal embodied in the Maine Association of Redemption Center's Position Paper (dated February 17, 1989) increasing the items brought under the Bottle Bill's control will yield significant public benefits.

I note that beverage containers are currently recycled in Southern Maine. However, significant changes in recycling markets are taking place in the Northeastern U.S. in response to public policy changes. We would all expect that these changes will not preclude the ability of recycled metal, glass and plastic materials from Maine to be marketed, but we should not rest on that expectation. I believe that the disposition of these materials should be monitored and the State should stand ready to support this market for Maine recycled materials as necessary.

Robert B. Ganley
Chairman

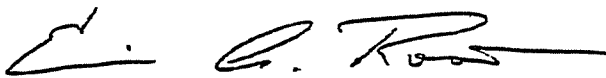
Charles E. Foshay
Executive Director

Page 2
Mr. Welch
April 21, 1989

RWS would defer consideration of fees to be paid by the users of these containers to the appropriate legislative committee where both the authority to deal with this matter and information on which to base a decision is to be found.

If you have any questions or comments regarding this letter, please give me a call.

Sincerely,

A handwritten signature in dark ink, appearing to read "Eric A. Root", with a stylized flourish at the end.

Eric A. Root,
Deputy Director, RWS, Inc.

EAR/dmd

cc: Al Ahlers

Esther Clenott

Neal Allen, RWS Legislative Liason





Maine Energy Recovery Company

P.O. BOX 401
BIDDEFORD, MAINE 04005
(207) 282-4127

March 29, 1989

Energy & Natural Resources Committee
Room 120
State Office Building
Augusta, Maine 04330

Dear Committee Members:

Maine Energy Recovery Company, as the primary waste disposal facility for twenty seven Maine communities, strongly supports the recycling efforts of cities and towns. As such, given the limited landfill space available for materials truly non recyclible, MERC strongly supports the component of L.D. 139 which would expand the existing bottle bill to include wine coolers. Since glass is easily recovered and marketable, it makes little sense to allow these materials to be discarded into the waste stream and ultimately landfilled. MERC currently generates over 100 tons a day of assorted materials that must be landfilled. A reduction in the amount of glass received will preserve valuable landfill space for future needs.

Sincerely,

Randall J. Parenteau
Manager, Operations Services

RP/jvt



Kuhr Technologies, Inc.
GENERAL PARTNER



BEVERAGE MARKET INDEX

Soft Drinks

Soft drink volume continued its steady climb last year, growing 4.5 percent to 11.286 billion gallons from 10.8 billion gallons in 1986. Per capita consumption climbed 3.5 percent to 46.6 gallons. On the whole, the year can only be called successful.

The lion's share of the gain went to packaged soft drinks, which rose five percent. Bulk dispensed sales grew 2.5 percent. Packaged sales now make up 75.4 percent of U.S. soft drink gallonage.

Discounting by bottlers and retailers continued unabated last year, as dollar sales grew 3.5 percent at both the wholesale and retail levels—significantly less

than the growth in gallonage. Shoppers paid \$32.6 billion, or \$133.96 per person, for soft drinks at foodstores, restaurants and fountains last year.

Sales grew in each of the nine geographic regions in 1987. Notably, the Pacific region saw an increase of 6.5 percent, fueled in part by the very successful introduction of *Cherry 7UP*. However, per capita consumption in the five Pacific states, at 41.2 gallons, still lags more than five gallons behind the national average. The West South Central region, including Texas, also grew strongly, up 5.8 percent to stay ahead of the national per capita level at 47.5 gallons. The Middle Atlantic states showed 4.8 percent

growth, as the average resident of New York, New Jersey and Pennsylvania drank 45.5 gallons of carbonated, sweetened beverages.

Less superlative, but still positive results came out of the other six geographic regions last year. Soft drink consumption in New England rose 3.1 percent; in the East North Central states, 3.5 percent; West North Central, 3.8 percent; South Atlantic, 4.0 percent; East South Central, 4.5 percent; and Mountain, 3.1 percent.

At 46.4 gallons per capita, Americans consumed almost twice as much soft drinks as any other Beverage Market Index segment.

Region	Population (MM)	Packaged Gallons (MM)	Bulk Gallons (MM)	Total Gallons (MM)	Per Capita (Gallons)	Wholesale Dollars (MM)	Retail Dollars (MM)
New England	12.8	410.8	134.9	545.7	42.6	1,230.1	1,547.3
Middle Atlantic	37.4	1,282.6	420.9	1,703.5	45.5	4,164.4	5,327.0
East North Central	41.9	1,593.0	381.5	1,974.5	47.1	4,437.8	5,715.4
West North Central	17.6	655.1	196.7	851.8	48.4	1,675.0	2,157.7
South Atlantic	41.7	1,484.2	624.3	2,108.5	50.6	4,586.0	5,927.7
East South Central	15.3	631.4	198.0	829.4	54.2	1,704.6	2,102.1
West South Central	26.9	987.8	289.9	1,277.7	47.5	2,787.1	3,595.4
Mountain	13.2	359.9	128.2	488.1	37.0	1,110.2	1,395.7
Pacific	36.5	1,106.8	400.5	1,507.3	41.2	3,775.8	4,826.6
Total U.S.	243.4	8,511.6	2,774.9	11,286.5	46.4	25,471.0	32,594.9

SOURCES: BEVERAGE WORLD estimates based on industry contacts. Data does not include non-carbonated drinks marketed or produced by soft drink bottlers. Bulk gallonage is projected on a finished drink basis.

BEVERAGE MARKET INDEX

Beer

The news from the beer wars front is discouraging: brewers suffered something of a setback in 1987, realizing almost zero growth after capturing a gain of more than two percent the previous year.

Domestic volume actually fell slightly last year, while imports grew nine percent to secure a firm five percent share of the total beer market, which grew 0.3 percent to 5.821 billion gallons.

Packaged beer sales grew 0.4 percent last year, but at the expense of draft gallonage, which fell 1.4 percent. Packaged beer held 88.3 percent of the market in 1987, up from 88.1 percent the previous year.

In dollars, beer sales remained almost unchanged at \$39.11 billion (technically, it was a rise of 0.08 percent). Wholesale dollars also increased slightly.

Per capita consumption fell in 1987 from 24.1 gallons to 23.9, a drop of 0.8 percent. Within the nine geographic regions, however, results varied, with some areas showing respectable gains and others sharp declines.

The South Atlantic states—the Eastern seaboard from Delaware to Florida—posted the largest gain, growing 18.9 million gallons, an increase of 1.9 percent. The region's neighbors to the north—the Middle Atlantic states of Pennsylvania, New Jersey and New York—were next

with a 1.1 percent increase to 835.3 million gallons. Wholesalers polled by BEVERAGE WORLD indicated that the introduction of *Coors* beer in the region gave sales a shot in the arm, while diminutive *Genesee* sales took a nose-dive.

Regions showing less-than-magnificent results during 1987 included the West South Central states, which tallied a 3.4 percent drop. Beer consumption in the Mountain states fell by 2.5 percent, although the region continued to rank as the nation's per-capita-beer-drinking leader at 25.2 gallons for every man, woman and child. Industrywide, analysts wonder if flat times are here to stay.

Region	Population (MM)	Packaged Gallons (MM)	Draft Gallons (MM)	Total Gallons (MM)	Per Capita (Gallons)	Wholesale Dollars (MM)	Retail Dollars (MM)
New England	12.8	265.4	49.2	314.6	24.6	1,113.7	2,160.6
Middle Atlantic	37.4	700.9	134.4	835.3	22.3	2,965.3	5,752.7
East North Central	41.9	886.0	148.5	1,034.5	24.7	3,713.9	7,019.3
West North Central	17.6	355.1	51.6	406.7	23.1	1,431.5	2,734.2
South Atlantic	41.7	934.0	82.7	1,016.7	24.4	3,456.8	6,706.2
East South Central	15.3	288.1	20.6	308.7	20.2	1,065.0	2,055.5
West South Central	26.9	630.2	39.9	670.1	24.9	2,358.7	4,528.7
Mountain	13.2	287.8	44.8	332.6	25.2	1,170.8	2,247.9
Pacific	36.5	792.0	110.6	902.6	24.7	3,141.0	5,905.1
Total U.S.	243.4	5,139.5	682.3	5,821.8	23.9	20,416.7	39,110.2

SOURCES: BEVERAGE WORLD estimates based on data supplied by The Beer Institute and other contacts. Both domestic and import shipments are represented. Per capita information reflects total U.S. population.

BEVERAGE MARKET INDEX

Spirits

The word on spirits for 1987 reads like a bad joke. The bad news is that consumption declined for the eighth consecutive year. The good news is that it did not decline as much as it did in 1986.

Spirits gallonage fell three percent in 1987 to 388 million gallons, after a five-percent drop the previous year.

Breaking out the disappointing figures by category, it could be said that spirits consumption declined in pieces of eight last year. Brown goods—all types of whiskey—dropped 3.8 percent. White goods, incorporating gin, vodka, rum and tequila, fell 2.3 percent. Specialty goods, which include brandy, cognac, cordials and prepared cocktails, slipped only

1.8 percent as consumer interest continued to turn to fruit-flavored, pre-mixed drinks.

Retail sales dropped 2.5 percent to \$20.3 billion. Although per capita consumption of spirits, at 1.6 gallons, is the lowest of the seven beverage categories which make up the Beverage Market Index, the segment ranks third in retail dollar expenditures, surpassed only by beer and soft drinks. The average American spent \$83.26 on spirits last year.

Regional results varied widely—from a 6.9 percent increase in gallonage in the East South Central states of Kentucky, Louisiana, Tennessee and Mississippi to an 11 percent drop in the West South

Central region made up of Arkansas, Louisiana, Oklahoma and Texas.

Other areas showed less drastic changes. Spirits consumption grew 3.3 percent in the West North Central States, while it fell elsewhere. New England, still the per capita leader at 2.3 gallons, saw a gallonage decline of 2.3 percent. In the Middle Atlantic states it declined 1.9 percent; East North Central, -5.0 percent; South Atlantic, -2.6 percent; Mountain -4.4 percent; and Pacific -3.7 percent.

While an increase in spirits consumption does not appear likely in the near future, perhaps 1987's results mean the tide of decline has been stemmed somewhat.

Region	Brown Goods Gallons (MM)	White Goods Gallons (MM)	Specialty Goods Gallons (MM)	Total Gallons (MM)	Per Capita (Gallons)	Wholesale Dollars (MM)	Retail Dollars (MM)
New England	9.6	11.7	8.0	29.3	2.3	993.3	1,519.0
Middle Atlantic	24.4	26.4	11.6	62.4	1.7	2,146.6	3,242.5
East North Central	24.3	22.7	15.3	62.3	1.5	2,124.4	3,236.0
West North Central	10.1	8.4	6.3	24.8	1.4	877.9	1,330.2
South Atlantic	32.6	31.8	9.6	74.0	1.8	2,473.2	3,817.9
East South Central	10.7	6.7	2.8	20.2	1.3	682.8	1,050.8
West South Central	14.1	11.6	5.6	31.3	1.2	1,151.8	1,621.8
Mountain	8.3	9.2	4.3	21.8	1.7	745.6	1,129.8
Pacific	23.7	23.1	15.1	61.9	1.7	2,123.2	3,318.9
Total U.S.	157.8	151.8	78.6	388.0	1.6	13,318.8	20,268.9

SOURCES: BEVERAGE WORLD estimates based on data supplied by Bureau of Alcohol, Tobacco & Firearms, Distilled Spirits Council of the United States and other industry contacts. Per capita information reflects total U.S. population.

BEVERAGE MARKET INDEX

Wine

The big news in the wine industry in 1987 was the continuing volume decline of European imports as their prices continued to increase. Imports fell 12.5 percent to 96.2 million gallons from 108.2 million in 1986, according to year-end estimates by San Francisco, CA-based Gomberg, Fredrikson & Associates. Imports fell by 21 percent in 1986.

Domestic volume was up slightly to 482.8 million gallons, a 0.4 percent increase from the previous year. The results were disappointing, however, after the nine percent gain for domestics in 1986. There was some very promising growth in key segments of the American wine industry, including the ultra-premium

(over \$14 per bottle), super-premium (\$7 to \$14) and premium (\$3 to \$7) table wine segments, which now represent 20 percent of the table wine volume and 45 percent of the dollar sales. The growing popularity of white zinfandel helped to power the surge in premium wines. Chardonnay, cabernet sauvignon and blush wines also sold well.

Domestic sparkling wines took a 78 percent dip in 1987 after a 48 percent increase the year before. Jug wines, which account for four-fifths of the table wine gallonage, continued their decline, slipping three percent last year, although heavy competition has kept jug wine prices at a low level.

Wine coolers were down by 0.5 percent in 1987. This year will be a critical one for the cooler segment. "Is it a surprising ending or a new beginning?" asks John D. Stacy, BEVERAGE WORLD's beverage marketing consultant. Stacy notes that wine coolers have enjoyed a very broad-based usage over the past five years. "By and large, the product enthused and pleased most consumers. It is a rare refreshment beverage. My feeling is that it will have a place in the American market—no matter what market share it climbs to or declines to."

Retail wine sales dropped 1.5 percent in 1987, to \$8.7 billion, after a 3.9 percent boost in 1986.

Region	Population (MM)	Domestic Gallons (MM)	Import Gallons (MM)	Total Gallons (MM)	Per Capita (Gallons)	Wholesale Dollars (MM)	Retail Dollars (MM)
New England	12.8	34.9	8.2	43.1	3.4	490.3	646.3
Middle Atlantic	37.4	80.1	18.2	98.3	2.6	1,207.4	1,570.3
East North Central	41.9	66.1	14.0	80.1	1.9	886.2	1,160.7
West North Central	17.6	21.0	4.0	25.0	1.4	290.2	378.3
South Atlantic	41.7	72.6	16.7	89.3	2.1	891.6	1,232.9
East South Central	15.3	10.6	2.4	13.0	0.9	139.6	178.7
West South Central	26.9	29.4	4.0	33.4	1.2	411.6	537.8
Mountain	13.2	26.8	5.9	32.7	2.5	358.3	500.1
Pacific	36.5	141.3	22.8	164.1	4.5	1,796.6	2,470.9
Total U.S.	243.4	482.8	96.2	579.0	2.4	6,471.8	8,676.0

SOURCES: BEVERAGE WORLD estimates based on data supplied by Bureau of Alcohol, Tobacco & Firearms; Gomberg, Fredrikson & Associates; John D. Stacy; and other contacts. Per capita information reflects total U.S. population.

BEVERAGE MARKET INDEX

Bottled Water

Bottled water was the shining star of the beverage marketplace in 1987. Consumption jumped 12 percent to 1.18 billion gallons and retail sales increased to \$1.8 billion. Per capita consumption leaped to 4.9 gallons as the average person consumed a half-gallon more bottled water than he or she did in 1986.

The biggest gains were in the Northeast, which traditionally has lagged far behind regional leaders such as the Pacific area. New England's gallonage climbed to 22.5 million, a jump of 24 percent, as per capita consumption grew from 1.4 to 1.8 gallons. The Middle Atlantic region was even more fruitful, logging 27 percent growth to 123.4 million gallons as per cap-

ita gallonage shot from 2.6 to 3.3.

"Not only is bottled water being consumed in the home and office, but these figures show that as health-conscious baby boomers come of age, bottled water is flowing into new areas of everyday life," says an energized William F. Deal, executive vice president of the Alexandria, VA-based International Bottled Water Association. "The on-the-go generation wants H₂O to go—away from the home or office."

The Pacific region continued to dominate as the nation's consumption leader, drinking more than half of the bottled water sold in the U.S. at 592.4 million gallons, or 16.2 gallons for every man,

woman and child in the five-state area. The West South Central states—Louisiana, Texas, Arkansas and Oklahoma—also were up sharply to 125.4 million gallons, a jump of 10.6 percent.

Others regions, while hardly disappointing, experienced more moderate growth. Consumption increased in each of the nine geographic areas. Gallonage grew five percent in the West North Central States, where residents continued to consume less than a gallon per head annually. According to BEVERAGE WORLD beverage marketing consultant John D. Stacy, these states are tough nuts for bottled water marketers to crack because of their high-quality native water supplies.

Region	Population (MM)	Domestic Gallons (MM)	Imported Gallons (MM)	Total Gallons (MM)	Per Capita (Gallons)	Wholesale Dollars (MM)	Retail Dollars (MM)
New England	12.8	20.5	2.0	22.5	1.8	30.0	33.9
Middle Atlantic	37.4	110.4	13.0	123.4	3.3	168.1	191.0
East North Central	41.9	72.4	7.2	79.6	1.9	107.4	121.0
West North Central	17.6	15.2	1.4	16.6	0.9	22.4	25.2
South Atlantic	41.7	163.6	16.1	179.7	4.3	241.5	275.9
East South Central	15.3	18.2	1.8	20.0	1.3	26.9	29.9
West South Central	26.9	115.5	9.9	125.4	4.7	167.8	190.1
Mountain	13.2	22.5	1.9	24.4	1.8	32.8	36.9
Pacific	36.5	530.2	62.2	592.4	16.2	797.8	895.0
Total U.S.	243.4	1,068.5	115.5	1,184.0	4.9	1,594.7	1,798.9

SOURCES: BEVERAGE WORLD estimates based on data supplied by International Bottled Water Association and other contacts. Gallonage does not include club soda produced by soft drink bottlers. Figures combine carbonated and still waters.

BEVERAGE MARKET INDEX

5/88
Beverage World

Fruit Juices and Fruit Drinks

A curtailment of deep discounting practices among fruit juice marketers last year led to a remarkable result—retail dollar volume increased despite a drop in gallonage. Retail fruit juice sales were up 1.6 percent to \$7.17 billion, although Americans downed 3.2 percent less fruit juice last year at 1.79 billion gallons.

BEVERAGE WORLD beverage marketing consultant John D. Stacy reports that the dominant form of orange juice, which represents 62 percent of all fruit juice volume, is now chilled, ready-to-serve juice, while frozen concentrate has fallen off.

"And we finally added vegetable juices

as part of our fruit juice grouping," adds Stacy. "One of the reasons was the fact that Campbell's finally enlivened both *Campbell's Tomato Juice* and *V-8 Vegetable Juice* in three very relevant containers: 10-ounce Plasti-Shield bottles, 8.45-ounce aseptic three-packs and 64-ounce cartons. That takes those brands out of the commodity dimness."

The fruit drink picture was positively rosy. Volume shot up 8.8 percent to 927.1 million gallons and retail sales jumped 9.6 percent to \$3.0 billion. "Fruit drinks are really shining bright these days, with new, quality products, higher juice contents, and more emphasis on brands rather than

cheap labels," exclaims Stacy. "We also note that fruit drinks have expanded from shelf-stable packaging into refrigerated and frozen concentrate."

"We predict that fruit drinks will out-sell fruit juices in the 21st century," continues Stacy. "But fruit juices will continue to grow—only fruit drinks will be growing faster!"

Vending has become an increasingly lucrative outlet for fruit juice and fruit drink sales, according to Stacy's numbers. Some \$472.3 million in change was poured into vending machines to buy 80.2 million gallons of juice in cans, glass and aseptic packaging, he reports. Both figures set all-time highs for vended juice.

Region	Population (MM)	Fruit Juice Gallons (MM)	Drink Gallons (MM)	Total Gallons (MM)	Per Capita (Gallons)	Wholesale Dollars (MM)	Retail Dollars (MM)
New England	12.8	122.1	71.0	193.1	15.1	552.0	755.6
Middle Atlantic	37.4	390.6	210.6	601.2	16.1	1,645.2	2,252.0
East North Central	41.9	317.4	169.3	486.7	11.6	1,331.9	1,822.0
West North Central	17.6	122.2	58.8	181.0	10.3	509.8	696.8
South Atlantic	41.7	285.1	144.2	429.3	10.3	1,132.4	1,550.1
East South Central	15.3	97.9	40.7	138.6	9.1	390.5	533.9
West South Central	26.9	142.0	76.8	218.8	8.1	596.3	816.3
Mountain	13.2	74.4	44.6	119.0	9.0	329.5	451.0
Pacific	36.5	236.5	111.1	347.6	9.5	957.9	1,314.3
Total U.S.	243.4	1,788.2	927.1	2,715.3	11.2	7,445.5	10,192.0

SOURCES: BEVERAGE WORLD estimates based on data supplied by John D. Stacy & Associates and other contacts.

Drink Mixes

Drink mixes continue their mysterious ways. The segment declined 11.4 percent in retail dollars and 4.2 percent in gallonage last year, to \$710 million and 1.131 billion gallons, respectively. The drop in dollar sales was due to severe price-cutting in low-calorie, sweetened powders. Drink mixes had experienced a 2.7 percent volume drop in 1986.

Unsweetened drink mixes, far-and-away the bulk of the category's gallonage, nose-dived 5.4 percent last year to 656.5 million gallons. That was reflected in a 2.8 percent drop at retail to \$219 million. The unsweetened segment appeals to those searching for a low-cost beverage and to parents who want to control the sugar in

their children's diets, according to BEVERAGE WORLD beverage marketing consultant John D. Stacy.

Sugar-sweetened mixes fared little better, falling 0.2 percent to 191.3 million gallons. Retail sales fell 0.4 percent to \$226 million.

But the biggest disappointment was recorded by the *NutraSweet*-ened products, which saw retail sales plummet 29 percent to \$191 million, although volume dropped only 2.2 percent to 178.8 million gallons. Stacy thinks that diet soft drinks are stealing the thunder from low-calorie drink mixes. "The fact is that low-calorie drink mixes are an ingredient product which must be prepared, while low-

calorie soft drinks are ready to serve and very heavily advertised," he explains.

Each of the nine geographic regions showed a drop in drink mix gallonage last year. The Mountain states took the worst hit, collapsing to 2.7 gallons per capita, the nation's lowest, after an 11 percent fall-off in gallonage. East South Central—down 8.6 percent—and South Atlantic—off 8.2 percent—also were rough-going regions for drink mix marketers. The shallowest declines were in the Middle Atlantic region, which fell a mere one percent, and the New England states, still the nation's per capita drink mix champ, at 8.6 gallons despite a 1.5 percent drop in 1987. **BW**

Region	Population (MM)	Foodstore Gallons (MM)	Food Service Gallons (MM)	Total Gallons (MM)	Per Capita (Gallons)	Wholesale Dollars (MM)	Retail Dollars (MM)
New England	12.8	98.8	10.9	109.7	8.6	47.8	67.8
Middle Atlantic	37.4	215.1	23.5	238.6	6.4	108.6	154.4
East North Central	41.9	236.7	22.6	259.3	6.2	118.6	169.2
West North Central	17.6	74.2	7.2	81.4	4.6	34.9	50.1
South Atlantic	41.7	135.0	12.4	147.4	3.5	66.1	92.9
East South Central	15.3	53.5	4.2	57.7	3.8	23.1	32.2
West South Central	26.9	91.2	8.0	99.2	3.7	42.1	61.6
Mountain	13.2	28.3	7.6	35.9	2.7	14.1	21.1
Pacific	36.5	93.8	8.3	102.1	2.8	42.1	60.9
Total U.S.	243.4	1,026.6	104.7	1,131.3	4.7	497.4	710.2

SOURCES: BEVERAGE WORLD estimates based on data supplied by John D. Stacy & Associates and other contacts. Gallonage is figured on a finished drink basis.

J

Average Wage Rates

AVERAGE WAGE RATES FOR SELECTED OCCUPATIONS IN GREATER PORTLAND, FALL 1982

OCCUPATION	TOTAL	AVERAGE		AVERAGE		WEIGHTED AVERAGE ALL EMPLOYEES	PERCENTAGE
	NUMBER OF	STRUCTURAL RANGE		PAID RATES	CHANGE		
	EMPLOYEES	ALL EMPLOYEES	ALL EMPLOYEES	ALL EMPLOYEES	OVER LAST		
	SURVEYED	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM		6 MONTHS
Accounting Clerk (non supervisory)	77	5.730	8.130	6.410	7.350	6.900	.110
Assembler (light, unskilled)	188	4.948	6.750	4.994	6.178	5.591	.046
Automotive Mechanic	427	3.778	5.796	3.805	5.453	4.389	.052
Buyer, Assistant	17	5.540	8.100	6.660	7.540	7.020	.010
Carpenter (Maintenance)	35	5.904	7.777	6.432	7.254	6.899	.034
Design Toolmaker	32	7.533	10.637	8.936	10.789	9.432	.054
Electronics Technician (1-3 yrs. experience)	52	6.495	8.894	7.345	8.878	8.053	.093
Equipment Operator (light)	49	5.450	6.921	5.696	6.151	5.845	.140
Equipment Operator (heavy)	25	6.146	7.466	6.908	7.443	7.183	.317
Fitter (supervisor)	12	6.360	8.255	6.973	8.467	7.926	(-.066)
Keypunch Operator (Readily usable data)	61	4.382	5.770	4.336	5.659	5.134	.046
Laborer (common)	473	5.012	6.395	5.562	5.958	5.661	(-.007)
Machinist (supervisory)	45	6.590	8.319	7.190	7.822	7.457	.076
Millwright (supervisory)	41	6.643	8.438	9.347	9.975	9.575	.347
Receiving Clerk	68	5.139	6.665	5.181	6.428	5.907	.053
Truck Driver (light)	112	5.069	6.543	4.721	6.549	5.463	.019
Warehouseman	335	5.045	6.770	5.872	7.502	7.315	.049
Welder, Fitter	32	6.914	8.936	6.859	7.907	7.435	.024

Wage & Salary Information was gathered in October 1982 and involved 75 premier Greater Portland companies representing over 25,000 employees. A copy of the full survey is available upon request from the Greater Portland Chamber of Commerce.

GREATER Portland, Maine

Average Wage Rates

AVERAGE WAGE RATES FOR SELECTED OCCUPATIONS IN GREATER PORTLAND, FALL 1987

OCCUPATION	TOTAL	AVERAGE		AVERAGE		WEIGHTED AVERAGE ALL EMPLOYEES	PERCENTAGE CHANGE ALL EMPLOYEES
	NUMBER OF	STRUCTURAL RANGE		PAID RATES			
	EMPLOYEES	ALL EMPLOYEES		ALL EMPLOYEES			
	SURVEYED	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM		
Accounting Clerk A or B (non supervisory)	130	5.930	8.023	6.486	7.153	6.539	.048
Assembler (light, unskilled)	30	5.118	6.363	5.145	6.300	6.004	.125
Automotive Mechanic	44	7.726	9.639	8.603	10.238	9.448	(.019)
Buyer, Assistant	33	8.842	10.207	9.093	9.764	8.301	(.084)
Carpenter (Maintenance)	20	7.083	9.591	8.868	9.419	8.939	.042
Computer Operator	73	7.349	9.368	7.957	8.653	8.627	.009
Design Toolmaker	6	9.833	10.167	9.833	10.167	8.133	(.255)
Electronics Technician (1-3 yrs. experience)	102	8.560	12.353	9.537	11.313	10.183	.036
Equipment Operator (light)	55	6.410	7.961	6.593	8.025	7.164	.072
Keypunch Operator (Readily usable data)	44	6.490	8.428	6.600	7.772	7.068	.137
Laborer (common)	138	6.167	7.764	6.812	7.620	7.997	.107
Receiving Clerk	94	6.099	7.855	6.843	7.458	6.416	(.142)
Secretary (non supervisory)	173	6.399	8.569	6.888	7.714	7.431	.019
Truck Driver (light)	115	6.586	8.065	7.097	7.925	7.236	.098
Warehouseman	180	6.117	8.581	6.181	8.512	7.313	.072
Welder, Fitter	25	9.912	11.352	10.182	11.322	9.720	.035
Word Processing Specialist	12	7.951	10.069	8.956	9.620	9.438	.091

Wage and salary information was gathered in September 1987 and involved 77 premier Greater Portland companies representing over 25,000 employees. A copy of the full survey is available upon request from the Greater Portland Chamber of Commerce.

GREATER Portland, Maine

Facility Costs

Type	Lease Cost/Year*	Construction Cost*
Office Space	\$ 5.50 - \$13.00/sq ft	\$45.00 - \$50.00/sq ft
Manufacturing/ Warehousing	\$ 1.00 - \$ 4.50/sq ft	\$15.00 - \$26.00/sq ft

* Source: Survey 4/83 of real estate, appraisal and development firms working within the Greater Portland area.



GREATER Portland, Maine

Office/Manufacturing Space

The Greater Portland area is entering the mid - 1980's with a plentiful and growing supply of office space. A recent inventory of available commercial properties identified about 744,000 sq. ft. of space, either on-line and available or under construction.

A review of terms and rates for office, warehouse, and manufacturing space shows a wide choice available to prospective tenants, depending on terms, location, availability of parking, renovation responsibilities, waterfront views, and similar factors. Typical rates are shown below.

Lease terms vary. The most typical for office space is a 3 - 5 year lease with cost escalators,

with base year heat, taxes and utilities (except electricity) included in rent and with tenant responsible for electricity and janitorial services. Some office space, and most combination office/warehouse and manufacturing space is triple net (tenant responsible for all heat, utilities, taxes, and janitorial services).

Where reserved off - street parking is available downtown, the fee typically is \$40 - \$75 per month.

Construction cost of office space is in the range of \$45 - \$80 per sq. ft., and for manufacturing/warehouse space, \$20 - \$35 per sq. ft.

FACILITY COSTS

TYPE OF SPACE	LOCATION	AV/SF	RANGE/SF
Renovated Office	Downtown	\$13.00	\$10.00 - \$18.00
New Office (Class A)	Downtown	\$16.00	\$14.00 - \$24.00
Recent/New Office	Suburban	\$13.00	\$12.00 - \$16.00
Office/Warehouse	Suburban	\$ 9.00	\$ 8.00 - \$10.00
Manufacturing	Suburban	\$ 4.50	\$ 2.00 - \$ 5.50

(Note: "Suburban" includes parts of Portland outside of Downtown.)



#10

John R. McKernan, Jr.
Governor



Joseph A. Edwards
Superintendent

DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
BUREAU OF INSURANCE
(207) 582-8707

FACSIMILE TRANSMISSION COVER SHEET

PLEASE DELIVER THE FOLLOWING PAGES TO:

NAME: Julie Cleveland

FIRM: _____

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FAX NUMBER: 773-5188

FROM: Dick Johnson

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OPERATOR _____

DATE OF TRANSMISSION: 4-7-89 TIME: A.M.

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RECIPIENT: IF YOU DO NOT RECEIVE ALL OF THE PAGES OR IF ANY
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OUR FAX NUMBER FOR YOUR REPLY IS: (207) 582-8716.

PREMIUMS WRITTEN IN MAINE

	WORKERS' COMPENSATION	GROUP HEALTH
1980	97,863,229	193,303,982
1981	115,353,852	224,473,153
1982	124,262,683	258,730,694
1983	143,354,547	296,346,790
1984	158,832,294	327,801,783
1985	170,627,637	355,444,106
1986	167,057,085	378,917,083
1987	216,302,325	401,140,885
1988	260,094,294	



71 D

ECONOMIC IMPACT STATEMENT

1. title or subject of rule: Environmental Protection Regulation, Chapter 10, Deposit for Beverage Containers

2. Agency: Agency of Natural Resources
Department of Environmental Conservation
Solid Waste Management Division
103 South Main St., West Building
Waterbury, VT 05676

3. All consumers of soft drinks, beer, and other beverages subject to the deposit system.

Distributors of these products
Retail stores
Supermarkets
Redemption centers

4. No rule.

The return rate of empty beverage containers subject to the deposit-redemption system is greatly influenced by the convenience of redemption. At present, empty containers may be redeemed at any retail store that sells that kind, size, and brand, or at a redemption center. The reported cost of redemption service ranges from two cents to over six cents. The average cost in 1987 of reasonably efficient businesses who provide this service in Vermont is 3.35 cents per container. The present handling fee is two cents, or 20% of the amount of the deposit (minimum 5 cents). Since the cost is more than the reimbursement, many retailers and redemption centers either have curtailed or plan to curtail the service. In some instances, the full redemption service may be closed. The overall return rate has a value of \$125,000 for each 1% of the 250,000,000 containers sold in Vermont each year at a 5 cent deposit. The deposit initiator would benefit directly from a decrease in the return rate since the unclaimed deposits are an asset to the distributor. This is at the expense of the customer who elects to not redeem the container. A net reduction of 15% in the return rate is a realistic estimate of the impact of No Rule. This would cost an estimated \$1,875,000 per year, and increase as the actual cost of accepting returned containers increases.

The unredeemed containers would add to the solid waste disposal problem. For each 1% of the containers not redeemed, there are 2,500 cubic yards of refuse. At a rate of \$12.00 per cubic yard, and 1,000 containers per cubic yard, the estimated cost is \$30,000 per 1% of the return rate. For a net reduction of 15% on the return rate, there is an estimated cost of \$450,000 in disposal cost.

5. This rule is not contrary to any of the requirements in 3 VSA 832a.

CERTIFICATION: AS THE ADOPTING AUTHORITY (see 3 V.S.A. Section 801(b)(11) for a definition) OF THIS RULE, I CONCLUDE THAT THIS RULE IS THE MOST APPROPRIATE METHOD OF ACHIEVING THE REGULATORY PURPOSE. IN SUPPORT OF THIS CONCLUSION, I HAVE ATTACHED ALL FINDINGS REQUIRED BY 3 V.S.A. Section 832a.

Date:

1/15/88


(Sign here)

Jonathan Lash

(Type name here please)

M

H. R. 586

IN THE HOUSE OF REPRESENTATIVES

Mr. HENRY (for himself, Mr. WAXMAN, Ms. SNOWE, Mr. FORD of Michigan, Mr. KILDEE, Mr. MINETA, Mr. ACKERMAN, Mr. LEACH of Iowa, Mr. SHAYS, Mr. BEILENSEN, Mr. OWENS of New York, Mr. STUDDS, Mr. DEFazio, Mr. HOCHBRUECKNER, Mr. FRANK, Mr. McHUGH, Mr. AuCOIN, Ms. PELOSI, and Mr. LIPINSKI) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Beverage Container
4 Reuse and Recycling Act".

SEC. 2. Congress finds and declares that—

(1) the failure to reuse and recycle empty beverage containers represents a significant and unnecessary

1 waste of important national energy and material
2 resources;

3 (2) the littering of empty beverage containers con-
4 stitutes a public nuisance, safety hazard, and esthetic
5 blight and imposes upon public and private agencies
6 unnecessary costs for the collection and removal of
7 such containers;

8 (3) empty beverage containers constitute a signifi-
9 cant and rapidly growing proportion of municipal solid
10 waste, disposal of which imposes a severe financial
11 burden on local governments;

12 (4) the reuse and recycling of empty beverage
13 containers would eliminate these unnecessary burdens
14 on individuals, local governments, and the environ-
15 ment;

16 (5) a uniform national system for requiring a
17 refund value on the sale of all beverage containers
18 would result in a high level of reuse and recycling of
19 such containers;

20 (6) a national system for requiring a refund value
21 on the sale of all beverage containers would result in
22 significant energy conservation and resources recovery;

23 (7) a national system for requiring a refund value
24 on the sale of all beverage containers would be anti-

1 inflationary and help create jobs in areas of commerce;
2 and

3 (8) a national system for requiring a refund value
4 on the sale of all beverage containers would be inex-
5 pensive to administer because of its self-enforcing
6 nature.

7 DEFINITIONS

8 SEC. 3. For the purposes of this Act the term—

9 (1) "beverage" means beer or other malt bever-
10 age, mineral water, soda water, wine cooler, or a car-
11 bonated soft drink of any variety in liquid form and in-
12 tended for human consumption;

13 (2) "beverage container" means a container
14 designed to contain a beverage under pressure of
15 carbonation;

16 (3) "refundable beverage container" means a bev-
17 erage container which has clearly, prominently, and se-
18 curely affixed to, or printed on, it (in accordance with
19 section 4) a statement of the amount of the refund
20 value of the container;

21 (4) "consumer" means a person who purchases a
22 beverage container for any use other than resale;

23 (5) "distributor" means a person who sells or
24 offers for sale in commerce beverages in beverage con-
25 tainers for resale;

1 (6) "retailer" means a person who purchases from
2 a distributor beverages in beverage containers for sale
3 to a consumer or who sells or offers to sell in com-
4 merce beverages in beverage containers under pressure
5 of carbonation to a consumer;

6 (7) "Administrator" means the Administrator of
7 the Environmental Protection Agency;

8 (8) "commerce" means trade, traffic or transpor-
9 tation—

10 (A) between a place in a State and any place
11 outside thereof,

12 (B) within the District of Columbia or any
13 territory of the United States, or

14 (C) which affects trade, traffic, commerce, or
15 transportation described in subparagraph (A) or
16 (B); and

17 (9) "State" means a State, the District of Colum-
18 bia, the Commonwealth of Puerto Rico, or any terri-
19 tory or possession of the United States.

20 The Administrator shall prescribe such regulations as
21 may be necessary to establish what person is a retailer with
22 respect to the sale of beverages in beverage containers under
23 pressure of carbonation to consumers through beverage vend-
24 ing machines.

1 **REQUIRED BEVERAGE CONTAINER LABELING**

2 **SEC. 4.** No distributor or retailer may sell or offer for
3 sale a beverage in a beverage container under pressure of
4 carbonation unless there is clearly, prominently and securely
5 affixed to, or printed on, it (in accordance with regulations
6 prescribed by the Administrator) a statement of the amount
7 of the refund value of the container, such amount being not
8 less than 5 cents.

9 **RETURN OF REFUND VALUE OF BEVERAGE CONTAINERS**

10 **SEC. 5. (a)(1)** If a consumer tenders for refund an empty
11 and unbroken refundable beverage container to a retailer or
12 distributor who sells (or has sold at any time during the
13 period of three months ending on the date of such tender) a
14 brand of beverage which was contained in the container, the
15 retailer or distributor respectively shall promptly pay the
16 consumer the amount of the refund value stated on the
17 container.

18 (2) If a retailer tenders for refund an empty and unbroke-
19 ken refundable beverage container to a distributor who sells
20 (or has sold at any time during the period of three months
21 ending on the date of such tender) a brand of beverage which
22 was contained in the container, the distributor shall promptly
23 pay the retailer (A) the amount of the refund value stated on
24 the container, plus (B) an amount equal to 2 cents per con-
25 tainer to help defray the retailer's cost of handling. The pay-

1 ment amount specified in clause (B) may be adjusted by the
2 Administrator, following evaluation and public comment, to
3 reflect the true cost of handling beverage containers. This
4 paragraph shall not preclude a retailer from tendering refund-
5 able beverage containers to persons other than distributors.

6 (b) The opening of a refundable beverage container in a
7 manner in which it was designed to be opened and the com-
8 pression of a metal refundable beverage container shall not,
9 for the purposes of this section, constitute the breaking of the
10 container if the statement of the amount of the refund value
11 of the container is still readable.

12 RESTRICTION ON METAL BEVERAGE CONTAINERS WITH
13 DETACHABLE OPENINGS

14 SEC. 6. No distributor or retailer may sell or offer for
15 sale a beverage in a metal beverage container a part of which
16 is designed to be detached in order to open such container.

17 PREEMPTION OF STATE AND LOCAL LAW

18 SEC. 7. (a) Except as otherwise provided in this section
19 no State or political subdivision thereof may establish or con-
20 tinue in effect any law respecting a refund value of beverage
21 containers sold with a beverage under the pressure of carbon-
22 ation to the extent the Administrator determines the law is
23 inconsistent with this Act.

24 (b) No State or political subdivision thereof may, for the
25 purposes of determining the amount of any tax imposed by

1 such State or subdivision on the sale of any refundable bever-
2 age container, take into account any amount charged which
3 is attributable to the refund value of such container.

4 (c) Subsection (a) does not prevent a State or political
5 subdivision thereof from establishing or continuing in effect
6 any law respecting a refund value on containers other than
7 for beverages or from regulating redemption and other cen-
8 ters which purchase refundable beverage containers from re-
9 tailers and consumers.

10 **PENALTIES**

11 SEC. 8. Whoever violates any provision of section 4,
12 5(a), or 6 shall be fined not more than \$1,000 for each
13 violation.

14 **EFFECTIVE DATES**

15 SEC. 9. (a) Except as otherwise provided in subsection
16 (b) and (c), this Act shall take effect on the date of its
17 enactment.

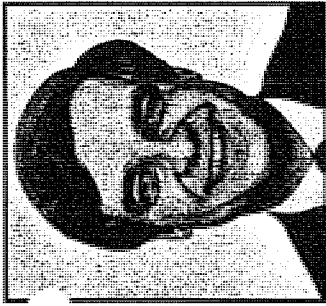
18 (b) The provisions of section 4, 5, and 7 shall apply with
19 respect to beverage containers sold or offered for sale in
20 interstate commerce on or after two years after the date of
21 enactment of this Act.

22 (c) The provisions of section 6 shall apply with respect
23 to beverages in beverage containers sold or offered for sale in
24 interstate commerce on or after one year after the date of
25 enactment of this Act.

1 (d) The provisions of section 7(a) shall preempt State
2 and local laws to the extent to which they are inconsistent
3 with the provisions of this Act only on and after the respec-
4 tive effective dates of such provisions.

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News from Congressman

PAUL HENRY

Representing
Michigan's
5th District

215 Cannon Building
Washington, D.C. 20515
(202) 225-3831

166 Federal Building
Grand Rapids, MI 49503
(616) 451-8383

FACT SHEET

The National Beverage Container Reuse and Recycling Act --
H.R. 586.

Referred to Energy and Commerce and its Subcommittee on
Commerce, Consumer Protection and Competitiveness.

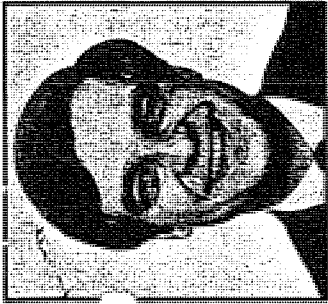
46 Cosponsors as of 4/4/89:

Waxman (D-CA), Shays (R-Conn), Snowe (R-ME), Leach (R-IA), Ford (D-MI), Ackerman (D-NY), Beilenson (D-CA), Owens (D-NY), Studds (D-Ma), DeFazio (D-Oregon), Hochbrueckner (D-NY), Mineta (D-CA), Kildee (D-MI), Frank (D-Ma), McHugh (D-NY), AuCoin (D-Oregon), Pelosi (D-CA), Lipinski (D-IL), Atkins (D-MA), Upton (R-MI), Lantos (D-CA), Schneider (R-RI), Davis (R-MI), Fawell (R-IL), Campbell (R-CA), Boxer (D-CA), Fish (R-NY), Foglietta (D-PA), Smith (R-VT), Dellums (D-CA), Garcia (D-NY), Boehlert (R-NY), Fuster (D-PR), Bennett (D-FL), Dymally (D-CA), Scheuer (D-NY), Unsoeld (D-Wash), Torres (D-CA), Levin (D-MI), Walsh (R-NY), Evans (D-IL), Levine (D-CA), Owens (D-Utah), Conyers (D-MI), Brown (D-CA), Berman (D-CA).

H.R. 586 would prohibit the sale of carbonated soft drinks, beer, wine coolers, mineral water, or soda water in beverage containers unless such a container carried a refund or "deposit" value of not less than 5 cents. At the time of purchase, this deposit would be paid by the consumer. Beverage retailers and distributors would be required to pay back (refund) that deposit when the containers are returned -- thus creating a self-sustaining recycling network at no cost to the federal government! Also under this proposal, distributors would be required to give retailers an additional "handling fee". The sale of beverage containers with detachable openings would be prohibited as well.

Nine states have similar deposit laws on their books including: Vermont, Oregon, Iowa, Connecticut, Delaware, Maine, Massachusetts, New York, and Michigan.

- The above states credit the bottle bill for anywhere between a 6-8 percent reduction in their state's solid waste stream.
- The Michigan Department of Transportation estimates over a 40 percent reduction of the state's roadside litter.
- Oregon, credited with one of the most comprehensive recycling laws in the country, considers the bottle bill to be the key to creating an environmental (or recycling) ethic in that state.
- Japan, which recycles over 50 percent of their solid waste, as well as other foreign nations which have made recycling a large component of their solid waste management strategies, have beverage container deposit laws.
- The steady stream of recyclable materials guaranteed by deposit laws expand viable recycling markets, save energy, and conserve natural resources by reducing the use of raw materials.
- For every 10 percent of crushed used glass added to a glass plant's furnace, energy costs drop as much as 5 percent. For every ton of crushed glass used in the manufacturing process, up to 1.2 tons of raw materials are saved. Turning used aluminum cans into new ones takes 95 percent less energy than refining new metal from raw bauxite. One ton of recycled aluminum saves 4 tons of the raw material.
- The only serious plastics recycling efforts in the country rely on the incentive-based collection of empty, plastic PET beverage containers from bottle bill states.



News from Congressman

Representing
Michigan's
5th District

PAUL HENRY

215 Cannon Building
Washington, D.C. 20515
(202) 225-3831

166 Federal Building
Grand Rapids, MI 49503
(616) 451-8383

REP. PAUL B. HENRY, (R-MICH.)
ADDRESS TO CONSERVATION ROUND TABLE
APRIL 5, 1989
NATIONAL PRESS CLUB

Those gathered here today represent the key national leaders and organizations who have fought to protect and reclaim our environment from wasteful and harmful exploitation. And I begin by thanking you for the leadership you have given our nation on environmental issues. And thank you for allowing me to address you.

Sometimes you have been lonely voices in the wilderness. But over and over again, you have been proven correct -- and gradually we are learning that it is imperative to protect the environment prospectively rather than merely trying to reclaim it retroactively. The true "conservative" recognizes the need to develop a "conservation" ethic in our throw-away culture. Some things simply can't be thrown away with impunity. And our environmental heritage is one of those things.

The Scriptures tell us, "Thou shalt not steal." And we have no right to steal our children's God-given right to enjoy the majesty of the creation. To the contrary, we are called to be stewards of the creation. And the environmental agenda cannot be counted simply in terms of econometric analysis, but must also be respected as part of the "moral agenda" facing this nation.

The silent streams of environmental degradation must not be allowed to run forever so silently. Indeed, they clamor for attention. Be it the problems of acid rain, of global deforestation and biodiversity, or the tragedy at Prince William Sound -- the time has come not only to speak but to act against these assaults on the public good.

I am here today to present for your consideration one proposal whose time has come, the enactment of National Bottle Bill legislation. In 1972, the State of Oregon passed the first mandatory bottle refund law. Since then, eight other states have adopted -- either through legislation or referendum -- similar legislation. In all nine states, the results have been nothing sort of astounding in terms of reducing litter, encouraging broader conservation and recycling efforts, saving energy and natural resources, relieving over-burdened landfills, and in generating public support for national legislation.

HISTORY:

In 1976, Senator Mark Hatfield (R-Oregon) attempted to place a bottle refund amendment on the reauthorization of the Resource Conservation and Recovery Act (RCRA) when it was under Senate consideration. It was a preliminary effort, with little by way of coordinated or sustained legislative effort. While the Senator has reintroduced such legislation in every Congress since 1977, with companion bills in the House of Representatives, never has there been a sustained and disciplined legislative effort to achieve passage of a National Bottle Bill.

This year is different. Senator Hatfield and I are joining forces in sponsoring National Bottle Bills in the Senate and House

respectively, and we are committed to making a major effort to securing its passage. We now have almost two decades of experience with bottle refund legislation in nine states. And several factors have come together to forge support for a national extension.

BENEFITS

1. In each and every state which has adopted bottle-refund legislation, the results have fully met or exceeded expectations.
2. As increasing numbers of states adopt bottle-refund legislation, the need for some sort of national uniform standard becomes increasingly apparent to bottlers, retailers, and wholesalers who are most directly affected by such laws.
3. The national crisis in solid waste landfill availability is driving states and localities toward recycling alternatives.
4. The 101st Congress faces the reauthorization of the Resource Conservation and Recovery Act, which gives us an opportunity to push for a straight up or down vote on this issue, thereby forcing the Congress to be accountable to the public which overwhelmingly supports such legislation by an almost 3:1 margin.

ENERGY SAVINGS:

Bottle and beverage - container recycling legislation began in the early '70s at the time of the energy crisis. It is estimated that a national bottle bill would save up to 135 trillion BTUs/year, equivalent to 23 million barrels of oil annually. It is time we remember the bottle bill when we reflect on the meaning of the tragedy at Valdez, Alaska. It is one thing to develop energy resources when we need them -- it is quite another to develop energy resources while we are wasting what we already have.

Recycling an aluminum can would save 95 percent of the energy consumed in manufacturing a new one. The can I hold in my hand is the equivalent to burning one 100 watt light bulb for 20 hours. The energy saved annually by a national bottle refund bill is enough to provide for the entire electricity needs for the District of Columbia for four years!

WASTE REDUCTION:

A national bottle bill would save raw materials. Savings of up to 10 percent of the entire annual aluminum consumption in the United States and up to 2 percent of the entire annual steel consumption in the United States are estimated by the passage of such legislation.

As real as these savings are -- and as environmentally important as they are -- container deposit legislation has been most dramatic and physically apparent in terms of litter reduction. Reported litter reduction in states with bottle bill legislation ranges from 30-60 percent of all litter on our highways, on our beaches, and at public areas. Not only is the quantity of litter reduction an important factor, but the quality or type of litter being reduced is equally important -- for bottles and cans represent a major source of non-biodegradable litter destroying the aesthetics of the environment.

States with bottle bills have cleaned up their highways and beaches, and they are saving millions of dollars on clean-up costs. New York State alone estimates taxpayer savings of up to \$50 million annually, while at the same time benefitting the citizens with clean parks and roadsides. Other savings in the millions of dollars annually accrue to farmers who no longer have to have equipment repaired when it is jammed with cans and bottles, or animals rushed to the vet after swallowing non-digestible garbage. States with bottle-refund legislation have found that upwards to 90 percent of all covered containers are now recycled -- and with that achievement, public support for such laws continues to grow. When Michigan passed its bottle bill in 1976, the margin of victory in the public referendum was only 2:1. Current polling indicates that support for the legislation has grown to 9:1. Similar results have been found in virtually every state which has enacted such legislation.

Litter reduction and energy and resource conservation alone ought to be enough to propel us toward a national bottle bill. But a new force adds to the impetus for such legislation -- the problem of solid waste disposal. Soft drink and beer beverage containers count for more than 5 percent of all the solid waste in the nation's wastestream. At a time when we are simply running out of places to put the waste, this legislation offers us an opportunity to address a solid chunk of that problem. States with bottle bill legislation have reduced waste entering disposal sites by roughly 7 percent on average.

This nation manufactures more than 110 billion beer and soft drink containers a year. This translates to over 400 bottles and cans per person a year. If we aren't careful, we'll be marking our gravesites with beer cans in the next fifty years! It's not just that we're wasteful with our use of energy and natural resources. It's not just that we're dumping garbage on our highways and public places. It's also the fact that we don't even have the space for legitimate disposal of this waste -- and it's time we did something about it.

Governors and mayors of our major metropolitan areas are calling on the Congress to tackle this issue. They have spoken vigorously in recent years I support of bottle bill deposit laws. And we are launching a national effort with leading governors and mayors forcefully calling upon the Congress to face the urgency of this situation. I shall, within the next few weeks, be announcing national co-chairs of such an effort.

THE ANSWER TO OPPONENTS

There are -- believe it or not -- detractors of national bottle-refund bill legislation. There are those who will argue that such legislation undermines efforts at broader waste recycling and recovery -- despite the fact that every study of states with bottle-refund legislation indicates that beverage container recycling has further encouraged a recycling ethic. There are those who argue that bottle-refund legislation will cost jobs -- despite the historical record that each and every state with beverage container legislation has experienced a net increase in jobs. As a matter of fact, estimates are that a national bottle bill law will generate up to 100,000 new jobs in new industries, including the new plastics recycling industry which was launched in bottle bill states.

There is much to be said for a national bottle bill. There is not much, if anything, to be said against it. The people support it. And environmental stewardship demands it. There is absolutely no public cost to the implementation of this legislation. It doesn't cost the federal government a dime -- and it saves state and local governments million upon millions of dollars.

In discussions I have had with senior level EPA officials, it has become readily apparent to me that there are those within the agency who are strong supporters of bottle refund legislation. While it is early in Bill Reilly's tenure at that agency, I know that he and his Agency are watching carefully to see if the Congress will join this issue forcefully and directly, and that strong congressional determination to address the issue will substantially affect the battle within EPA today in the effort to get clear Administration endorsement of this legislation.

I'm here today to ask for your help in securing passage of this legislation. The number of co-sponsors of this bill has already doubled over the maximum number of sponsors gained for comparable bills introduced over the last ten years. Our supporters are Republicans and Democrats. They are conservatives and liberals. And they are right. If the groups represented here today will join with us in our efforts, we can and we shall succeed in our combined efforts. I ask you today to join with me in a national effort to encourage co-sponsorships and ultimate passage of this legislation in the 101st Congress. And we have just begun!



WINDFALL PROFITS FOR DISTRIBUTORS

PER YEAR

LD # 1099

(based on 600,000,000 containers per year as reported by Maine beverage wholesalers)

% OF RETURNED CONTAINERS	DEPOSIT DOLLARS (5 cents/container) RETAINED BY DISTRIBUTORS	HANDLING FEE DOLLARS (2 cents/container) RETAINED BY DISTRIBUTORS	TOTAL DOLLARS (7 cents/container) RETAINED BY DISTRIBUTORS
100	0	0	0
95	1,500,000	600,000	2,100,000
90	3,000,000	1,200,000	4,200,000
85	4,500,000	1,800,000	6,300,000
80	6,000,000	2,400,000	8,400,000
(MA) 79.1	6,270,000	2,508,000	8,778,000
75	7,500,000	3,000,000	10,500,000
(NY) 74	7,800,000	3,120,000	10,920,000
70	9,000,000	3,600,000	12,600,000
65	10,500,000	4,200,000	14,700,000
60	12,000,000	4,800,000	16,800,000
55	13,500,000	5,400,000	18,900,000
(CA) 52.9	14,130,000	5,652,000	19,782,000

(MA), (NY), (CA) - As reported by the individual state sanctioned systems in Massachusetts, New York and California respectively



L.D. 1099

CHAIRMAN BALDACCI

CHAIRMAN ALLEN

MEMBERS OF THE COMMITTEE

I AM PETER CLEVELAND AND I REPRESENT WESTBROOK DISCOUNT BEVERAGE AND REDEMPTION CENTER IN WESTBROOK MAINE.

I AM HERE TO SPEAK IN SUPPORT OF L.D.1099.

I WISH TO MAKE IT CLEAR THAT NO MATTER WHICH WAY YOU VOTE ON THIS BILL THAT I HAVE NO PERSONAL FINANCIAL INTEREST IN THE OUTCOME. WHETHER YOU DECIDE TO REPORT OUT IN FAVOR OF THIS BILL AND SUBSEQUENTLY VOTE IN FAVOR OF IT OR NOT WILL NOT EFFECT ME OR MY BUSINESS FINANCIALLY IN ANY WAY.

CONSEQUENTLY, WHAT I SAY HERE IS BECAUSE OF PERSONAL OBSERVATION AND CONVICTION AND BECAUSE OF EXPERIENCE IN THE BEVERAGE BUSINESS ITSELF.

WHAT IS WINDFALL PROFIT? HOW DOES IT COME ABOUT IN THE BOTTLE BILL? AND WHO BENEFITS? WHO LOSES?

THESE PRODUCTS ARE SOLD IN THE STATE OF MAINE AND ARE TYPICAL OF HOW THE SYSTEM WORKS. EVERY TIME THIS CAN AND 600,000,000 MILLION OTHER CANS AND BOTTLE IN THE STATE ARE SOLD TO A RETAILER, OR RESTAURANT: A DEPOSIT IS INITIATED.

ALTHOUGH THERE ARE SOME MINOR EXCEPTIONS: NAMELY, SOME REFILLABLE BEER CONTAINERS, AND PEPSI 500 ML BOTTLES, ALL DEPOSITS, ON EVERY CAN AND BOTTLE, ARE 5 CENTS AND ALL DEPOSITS ARE INITIATED BY THE DISTRIBUTORS.

EACH DISTRIBUTOR IN THE STATE INITIATES THE DEPOSIT OF EACH BOTTLE AND CAN SOLD BY THEM. IN ITS SIMPLEST TERMS; INITIATING A DEPOSIT MEANS THE DISTRIBUTOR CHARGES 5 CENTS EXTRA FOR EVERY CAN OR BOTTLE SOLD BY HIM OR HER, TO A RETAILER IN THE STATE OF MAINE.

IN ADDITION TO THE DEPOSIT, THE DISTRIBUTOR CHARGES AND HAS BEEN CHARGING FOR EACH BOTTLE AND CAN, THE 2 CENT HANDLING FEE. THIS ADDITIONAL CHARGE HAS BEEN TESTIFIED TO BY THE DISTRIBUTORS TIME AND AGAIN BEFORE THIS COMMITTEE. IN OTHER WORDS; AT MINIMUM, FOR EACH UNIT OF PRODUCT SOLD IN THE STATE OF MAINE, THE DISTRIBUTOR IS PAID, IN ADVANCE, AT THE TIME OF SALE, \$.07 PER UNIT. THE \$.07 IS CHARGED ON TOP OF THE DISTRIBUTORS NORMAL PRODUCT MARK-UP, AND IS PAID TO THE DISTRIBUTOR AT THE TIME OF THE INITIAL SALE TO THE RETAILER OR RESTAURANT.

THERE ARE MANY PACKAGES IN WHICH BEVERAGES ARE SOLD IN THE STATE OF MAINE. 12 OZ CAN, 16 OZ BOTTLE, LITER PLASTIC, 2 LITER PLASTIC, ETC. HOWEVER, THE PER UNIT VALUE WHICH THE DISTRIBUTOR CHARGES IS ALWAYS THE SAME: \$.05 DEPOSIT AND \$.02 HANDLING FEE FOR A TOTAL OF \$.07 PER UNIT SOLD. FOR EXAMPLE:

1. A 24 COUNT CASE OF 12 OZ CANS, CONTAINING EITHER SODA OR BEER SOLD TO A LOCAL SHOP AND SAVE WOULD COST HANNAFORD BROS CO. THE FOLLOWING: THE SALES PRICE OF THE PRODUCT, WHICH INCLUDES, THE COST OF THE PRODUCT PROFIT MARGIN DEEMED APPROPRIATE BY THE DISTRIBUTOR'S MARKETING PLAN, PLUS AN ADDITIONAL \$1.68 PER CASE, TO COVER THE COST OF 24 CANS TIMES THE DEPOSIT OF \$.05 EQUALING \$1.20 PLUS 24 CANS TIMES \$.02 HANDLING FEE EQUALING \$.48 FOR A TOTAL ADDITIONAL CHARGE OF \$1.68 PER CASE.

2. A CASE OF COKE 2 LITER PLASTIC BOTTLES SOLD TO LOU'S BEVERAGE BARN HERE IN THE AUGUSTA AREA, WOULD COST LOU'S; THE COST OF THE PRODUCT, THE COST OF THE PRODUCT PROFIT MARGIN DEEMED APPROPRIATE BY COKE FOR THEIR OWN MARKETING PLAN, AND IN ADDITION COKE WOULD CHARGE, AT LEAST, AN ADDITIONAL \$.56 TO COVER THE COST OF THE DEPOSIT OF 8 BOTTLES TIMES \$.05 OR \$.40 AND 8 BOTTLES TIME THE HANDLING FEE OF \$.02 OR \$.16 FOR A TOTAL ADDITIONAL CHARGE OF \$.56 PER CASE. OR \$.07 PER UNIT.

THE DISTRIBUTORS HAVE BEEN CHARGING IN THIS MANNER SINCE THE BOTTLE BILL HAS BEEN IN EXISTENCE.

AGAIN, THE AMOUNT WHICH THE DISTRIBUTORS CHARGE ABOVE AND BEYOND THE PRODUCT MARK-UP IS \$1.68 PER CASE OF 24 CONTAINERS, OR \$.07 CENTS PER UNIT. YOU HAVE HEARD THE DISTRIBUTORS TELL YOU TIME AND TIME AGAIN THAT THEY CHARGE THIS COST BACK TO THE CONSUMER AND THAT IT IS INCLUDED IN THEIR PRICE.

IT IS IMPORTANT FOR THE COMMITTEE TO REMEMBER AT THIS POINT, THAT FOR THE DECADE THAT THE DISTRIBUTORS OF BEER AND SODA HAVE BEEN CHARGING AN ADDITIONAL \$.07 CENTS PER UNIT, THEY ARE PAID FOR THAT \$.07 CENTS PER UNIT IMMEDIATELY UPON THE SALE OF THOSE GOODS TO A RETAILER OR RESTAURANT. IN OTHER WORDS, THEY ARE PAID, IN ADVANCE, FOR ANY AND ALL COSTS ASSOCIATED WITH THE BOTTLE BILL AND FOR HANDLING THOSE EMPTY CONTAINERS, WHETHER OR NOT A SINGLE CONTAINER EVER RETURNS TO THE DISTRIBUTORS WAREHOUSE.

AFTER THE RETAILER BUYS THE PRODUCT FROM THE DISTRIBUTOR, HE SELLS THE UNIT TO THE CONSUMER AND CHARGES 5 CENTS DEPOSIT FOR EACH CAN OR BOTTLE PURCHASED. THE CONSUMER, IN TURN, TAKES THE UNIT BACK TO A RETAILER OR REDEMPTION

CENTER, PROVIDING IT IS MADE CONVENIENT TO DO SO, AND THE CONSUMER RECEIVES HIS 5 CENTS BACK. THE REDEMPTION CENTER, OR RETAILER, SORTS THE EMPTY BY DISTRIBUTOR, SIZE AND TYPE, AND STORES IT UNTIL THE DISTRIBUTOR PICKS IT UP. AT THAT TIME AND ONLY AT THAT TIME, DOES THE DISTRIBUTOR HAVE TO PAY OUT ANY MONEY. THE DISTRIBUTOR PAYS 5 CENTS DEPOSIT FOR EACH EMPTY CONTAINER PLUS THE 2 CENTS HANDLING FEE FOR THE SORTING STORING AND THE HANDLER'S EFFORT TO MAKE THE REDEMPTION CONVENIENT FOR THE CONSUMER.

THE DISTRIBUTOR PAYS 7 CENTS PER CONTAINER--THE SAME SEVEN CENTS WHICH HE HAS ALREADY BEEN PAID FOR, IN ADVANCE, AT THE TIME OF SALE; HOWEVER, THE DIFFERENCE IS THE HANDFUL OF DISTRIBUTORS IN THE STATE OF MAINE ONLY PAY FOR THE BOTTLES AND CANS THAT HAVE BEEN RETURNED TO HIM. HE DOES NOT HAVE TO PAY THE 7 CENTS PER CONTAINER THAT NEVER RETURNS. THIS IS THE WINDFALL PROFIT WHICH THE L.D. 1099 SEEKS TO ADDRESS.

CONSEQUENTLY THERE IS A HIGH FINANCIAL INCENTIVE FOR THE DISTRIBUTOR NEVER TO PAY FOR A SINGLE EMPTY CONTAINER AND FURTHER, EVERY EMPTY CONTAINER WHICH THEY DO PAY FOR CUTS INTO THE FUND OF MONEY, ALREADY COLLECTED, AND HELD BY THEM. THIS INCENTIVE NOT HAVE THE EMPTY CONTAINERS RETURNED AND PAID FOR, IS HARMFUL TO THE STRUCTURE AND INTENT OF THE BOTTLE BILL LEGISLATION AND HARMFUL TO THE ENVIRONMENTAL AND SOLID WASTE ISSUES BEFORE THE LEGISLATURE THIS SESSION.

IF THE RATE OF RETURN OF EMPTY CONTAINERS IS DISCOURAGED, THE BOTTLE BILL DOES NOT WORK AS WELL AS IT SHOULD AND THE OBJECTIVES FOR SOLID WASTE AND A CLEANER ENVIRONMENT ARE OBSTRUCTED. IT IS NO WONDER THAT THE POWERFUL BEVERAGE LOBBY HAS DISCOURAGED THE PROPER WORKING OF MAINE'S CONTAINER LEGISLATION, BY PROMOTING THE LOW RETURN OF EMPTY CONTAINERS; DISCOURAGING THE EFFECTIVENESS OF THE BOTTLE BILL BY INTRODUCING BEFORE THIS COMMITTEE L.D. 531, A BILL TO DO AWAY WITH THE HANDLING FEE, FURTHER DISCOURAGING THE CONVENIENCE OF THE REDEMPTION AND COLLECTION OF EMPTIES BY THE HANDLERS OF THE BOTTLE BILL.

AGAIN, BECAUSE IT IS SO IMPORTANT TO REALIZE, THE DISTRIBUTOR IS PREPAID FOR EVERY SINGLE CONTAINER HE SELLS AND EVERY SINGLE CONTAINER THAT DOES NOT COME BACK TO HIM HE REALIZES AN EXTRA PROFIT OF \$.07 CENTS PER CONTAINER. THE DISTRIBUTORS WILL SUGGEST THAT IF TAKEN AWAY FROM THEM THEY WILL HAVE TO RAISE THEIR PRICE TO THE CONSUMER. THIS POSITION IS COMPLETELY ILLOGICAL. THEY ARE PAID IN ADVANCE FOR THE COST OF HANDLING EVERY CONTAINER WHICH IS RETURNED, WHY WOULD THEY NEED TO RAISE THEIR PRICE TO COMPENSATE THEM FOR CONTAINERS NOT RETURNED.?

THIS WINDFALL PROFIT, BECAUSE IT WORKS TO DISCOURAGE EMPTY RETURNS, WAS UNINTENDED BY THE LEGISLATURE AND IS TO THE DIRECT DETRIMENT OF THE MAINE TAXPAYER AND CONSUMER.

EVERY BOTTLE BROKEN, EVERY CAN CRUSHED, EVERY CONTAINER LOST, THROWN OVERBOARD, PUT IN THE LANDFILL, BURIED IN THE SAND ON THE BEACH, TRANSPORTED OUT OF STATE BY RETURNING VACATIONERS OR JUST PLAIN TRASHED BY A CONSUMER UNABLE TO FIND A CONVENIENT PLACE TO RETURN THAT EMPTY; EVERY CONTAINER NOT RETURNED, LINES THE POCKETS OF THE HANDFUL OF DISTRIBUTORS IN THE STATE AND NO ONE---I REPEAT NO-ONE ELSE IN THE CHAIN HAS BENEFITED THE RETAILER, THE RESTAURATEUR, THE REDEMPTION CENTER OWNER AND MOST OF ALL THE CONSUMER, ALL ARE EITHER REVENUE NEUTRAL OR LOSE MONEY WHEN A BOTTLE OR CAN IS THROWN IN THE OCEAN, BREAKS OR IS OTHERWISE UNRETURNED.

THE DISTRIBUTOR IS THE ONLY ONE MAKING MONEY ON A LOST EMPTY, A BROKEN EMPTY OR AN EMPTY CONTAINER NOT RETURNED BECAUSE THE CONSUMER IS SO DISCOURAGED THAT HE OR SHE CHOOSES NOT TO BRING IT BACK.

MANY STATES ARE ADDRESSING THE ISSUE OF THE UNRETURNED CONTAINERS. BOTH NEW YORK AND MASSACHUSETTS HAVE PENDING LEGISLATION TO RETURN THE WINDFALL PROFITS OF THE DISTRIBUTORS TO THEIR RIGHTFUL OWNERS--THE PUBLIC CALIFORNIA ALREADY RETURNS THE MONEY TO THE PUBLIC AND MICHIGAN HAS A PETITION INITIATIVE BEFORE THE VOTERS TO RETURN THESE UNINTENDED EXCESS WINDFALL PROFITS TO THE PUBLIC.

I WOULD LIKE TO TAKE A MINUTE TO TRY TO SHOW YOU THE MAGNITUDE OF THE TREASURE WHICH THE HANDFUL OF BUSINESSES IN THE STATE HAVE BEEN COLLECTING FOR THE LAST DECADE. THE PUBLIC IS OUT THE CASH--THE MUNICIPALITIES ARE FOOTING THE EXTRA TRASH BILL. THE GENERAL FUND OF THE STATE IS DEPRIVED OF A LEGITIMATE REVENUE. ESPECIALLY IN A YEAR WHEN THE WAR ON WASTE IS A BATTLE THAT NEEDS MONEY NOW.

THE DISTRIBUTORS HAVE, BEFORE THIS COMMITTEE, AS RECENTLY AS 2 WEEKS AGO INDICATED, THAT THEY SOLD APPROXIMATELY 600,000,000 UNITS OF BEER, SODA AND WINE COOLERS LAST YEAR IN THE STATE OF MAINE.

IF ONE WERE TO TAKE THEIR OWN FIGURES OF 600,000,000 UNITS AND MULTIPLY IT BY THE \$.07 CENTS PER UNIT THAT THEY ALREADY WERE PAID FOR DURING THAT YEAR, THE HANDFUL OF DISTRIBUTORS OF THE STATE COLLECTED AN EXTRA \$42,000,000. ABOVE AND BEYOND THEIR NORMAL PRODUCT PROFIT MARGINS.

\$42,000,000

NOW REMEMBER THEY HAVE ALREADY BEEN PAID THAT MONEY AND IF NOT A SINGLE RETURN WERE BROUGHT BACK TO THEM FOR REDEMPTION, THEY WOULD KEEP THE ENTIRE \$42,000,000. EVEN THOUGH IT WAS NEVER INTENDED BY THE LEGISLATURE THAT THEY DO SO.

NOW, TO BE FAIR, THE DISTRIBUTORS DO HAVE A LEGAL OBLIGATION TO PAY OUT FUNDS FOR RETURNED CONTAINERS. FOR EVERY CONTAINER BROUGHT BACK TO A REDEMPTION CENTER, RETAILER OR RESTAURANT AND THEN COLLECTED, SORTED AND STORED BY THAT REDEMPTION CENTER, RETAILER OR RESTAURANT, THE DISTRIBUTOR MUST PAY A 5 CENT DEPOSIT AND A 2 CENT HANDLING FEE.

THE BIG QUESTION IS----- HOW MANY CONTAINERS ARE RETURNED EACH YEAR OUT OF THE 600,000,000 THAT ARE SOLD AND THE DEPOSIT AND HANDLING COSTS PREPAID TO THE DISTRIBUTORS. HOW MUCH OF THE PUBLIC MONEY IS BEING ADDED TO THE TREASURE OF THE FEW.

NOW, THE DISTRIBUTORS HAVE CONSISTENTLY MAINTAINED THAT THE RETURN RATE IN THE STATE IS 95%--THAT IS, FOR EVERY 100 CONTAINERS SOLD AND FOR WHICH THEY HAVE BEEN PREPAID, 95 CAME BACK THROUGH THE REDEMPTION PROCESS, AND THAT THE DISTRIBUTORS HAD TO PAY FOR THEM WITH THE MONEY THEY ALREADY HAVE IN THE BANK.

EVEN, IF THAT FIGURE IS ACCURATE, THE MONEY WHICH THE HANDFUL OF DISTRIBUTORS HAVE TO DIVVY UP AT THE END OF THE YEAR IS \$2,100,000.

THE 42,000,000 DOLLAR QUESTION IS HOWEVER, IS THAT RETURN RATE REALISTIC AND WHAT ARE THE FINANCIAL RAMIFICATIONS TO THE STATE AND TO THE CONSUMER IF THE RETURN RATE IS INDEED DIFFERENT THAN THE 95% CLAIMED BY THE BEVERAGE LOBBY.

MAINE LIKE MOST OF THE OTHER 9 CONTAINER LEGISLATION STATES, HAS NO REQUIREMENT ON THE PART OF THE DISTRIBUTORS TO ACCOUNT FOR THE EMPTY RETURNS AND NO STATE OR INDEPENDENT MECHANISM TO REALISTICALLY EVALUATE THE RETURN RATE.

COINCIDENTALLY, IN EVERY STATE THAT DOES NOT HAVE A REPORTING REQUIREMENT AND OR A STATE MECHANISM FOR COUNTING THE RETURN OF EMPTIES--THE RETURN RATE IS CLAIMED TO BE 95%..

WHEN ASKED, THE OFFICIALS IN THOSE STATES ALL SAY APPROXIMATELY THE SAME THING----THEY HAVE NO REAL IDEA WHAT THE RETURN RATE IS, BUT, THE BEVERAGE INDUSTRY TELLS US THE RETURN RATE IS 95%. CONSEQUENTLY, IN ALL THE STATES THAT DO NOT HAVE REPORTING REQUIREMENTS, MAINE BEING

ONE, THE RETURN RATE IS SUPPOSEDLY THE SAME THE OLD STANDARD, 95%

WHERE DO THE FIGURES FOR THE 95% RETURN RATE COME FROM ? THE BEVERAGE INDUSTRY ITSELF. WITH SUCH A FINANCIAL INCENTIVE TO CLAIM A HIGH RETURN RATE WHILE ENJOYING A LOW RETURN RATE IT WOULD SEEM A CLEAR CASE OF THE FOX GUARDING THE CHICKEN COOP.

IN THE THREE STATES THAT ACTUALLY HAVE AN INDEPENDENT ACCOUNTING SYSTEM FOR THE RETURN RATE OF EMPTIES THE STORY IS QUITE DIFFERENT. NEW YORK MASSACHUSETTS AND CALIFORNIA ARE THE ONLY CONTAINER LEGISLATION STATES THAT HAVE A STATE SANCTIONED ACCOUNTING SYSTEM TO KEEP TRACK OF THE EMPTY RETURN RATE.

NEW YORK HAS A RETURN RATE OF 74% MASSACHUSETTS HAS A RETURN RATE OF 79.1% AND CALIFORNIA A STATE THAT DOES NOT HAVE A HANDLING FEE, THEREBY DISCOURAGING THE RETURN OF EMPTIES, HAS ONLY A 52.9% RETURN RATE.

I HAVE INCLUDED A CHART WITH YOUR MATERIALS WHICH OUTLINES THE DOLLARS INVOLVED AT DIFFERENT RETURN RATES, RANGING FROM 100% RETURN TO THE LOW OF CALIFORNIA AT 52.9% RETURN RATE. LET ME TAKE A MOMENT TO EXPLAIN IT TO YOU.

IT IS PROBABLE, AND I SUBMIT MUCH MORE PROBABLE THAN A 95% RETURN RATE, THAT A RETURN RATE CLOSER TO ONE OF THE ONES LISTED IS WHAT MAINE ACTUALLY AND REALISTICALLY ENJOYS; THAT IS 79.1% 74%, OR 52.9%

IF THE RETURN RATE WERE 79.1% AS IT IS IN MASSACHUSETTS, THE PREPAID FUND WHICH THE HANDFUL OF DISTRIBUTORS HAVE TO DIVVY UP AT THE END OF THE YEAR IS ON AN ANNUAL BASIS \$8,778,000

IF THE RETURN RATE IN MAINE IS SIMILAR TO NEW YORK, ANOTHER STATE THAT ACTUALLY HAS AN INDEPENDENT ACCOUNTING SYSTEM, THEN THE ANNUAL TREASURE TROVE, UNRETURNED TO THE CONSUMERS IN MAINE IS \$10,900,000 EVERY SINGLE YEAR.

IF THE RATES WERE LIKE CALIFORNIA'S, THAT IS 52.9%, THE ANNUAL UNRETURNED WINDFALL PROFIT IS \$19,782,000.

ASSUMING EVEN THE HIGHEST OF THE THREE STATES THAT ACTUALLY HAVE REPORTED FIGURES, OVER THE YEARS THAT THE BOTTLE BILL HAS BEEN WORKING, THE DISTRIBUTORS HAVE KEPT ALMOST \$90,000,000 IN AN UNINTENDED WINDFALL PROFIT. NOT ONLY ENOUGH FOR A KING'S RANSOM BUT ENOUGH TO FUND THE TIPPING FEES FOR EVERY MUNICIPALITY IN THE STATE FOR A PERIOD OF YEARS.

IT IS IMPORTANT TO REMEMBER THE HUGE AMOUNT OF MONEY WE ARE TALKING ABOUT IS MONEY THE DISTRIBUTORS HAVE ALREADY COLLECTED AND IS AFTER THEY HAVE PAID ALL THE DEPOSITS AND HANDLING FEE REQUIRED BY THE LAW.

HOWEVER, THE MILLIONS OF DOLLARS RETAINED BY THE HANDFUL OF DISTRIBUTORS IN MAINE FOR THE LAST DECADE IS NOT BEING SOUGHT BY L.D. 1099, NOR IS THE WHOLE AMOUNT OF RETAINED PROFITS FOR THE FUTURE BEING SOUGHT IN THIS BILL. THE ONLY MONEY SOUGHT IN THIS BILL IS THE DEPOSIT MONEY ALONE---THE CONSUMER'S DOLLARS

IF WE ASSUME THE RETURN RATE TO BE THE HIGHEST OF THE REPORTED FIGURES, APPROXIMATELY 79.1% AND NOT LIKE CALIFORNIA, AT 52.9%, THE PREPAID AND UNRETURNED WINDFALL PROFIT THAT THIS HANDFUL OF BUSINESSES IN MAINE ENJOYS IN \$8,778,000 ANNUALLY

BECAUSE MAINE DOES NOT HAVE AN INDEPENDENT SOURCE OF ACCOUNTING FOR THE EMPTY RETURNS, I CANNOT BE SURE THAT THE 79.1% RETURN RATE IN MASSACHUSETTS IS ANY MORE LIKELY THAT THE MERE 52.9% IN CALIFORNIA. HOWEVER, BECAUSE CALIFORNIA DOES NOT HAVE A HANDLING FEE FOR THEIR CONTAINER LEGISLATION, THE CONVENIENCE FOR CONSUMERS, WHICH IS BUILT INTO THE INCENTIVES FOR THE BILLS IN MAINE NEW YORK AND MASSACHUSETTS, DOES NOT EXIST IN THE CALIFORNIA BILL; THEREFORE, IN ALL PROBABILITY, CALIFORNIA DOES HAVE A LOWER RETURN RATE THAN MAINE.

THERE IS A CLEAR RELATIONSHIP BETWEEN THE INCENTIVES FOR CONSUMERS AND HANDLERS IN THE MAINE LEGISLATION AND A HIGH RETURN RATE. ANY DISINCENTIVE TO THAT PROGRAM LOWERS THE RETURN RATE UNJUSTLY ENRICHES THE DISTRIBUTORS IN THE STATE OF MAINE. THE HANDLING FEE IN NEW YORK, MASSACHUSETTS AND MAINE MAKE IT MORE LIKELY THAT THE RETURN RATE IS CLOSER TO 79.1% THAN THE 52.9% IN CALIFORNIA.

THE \$8,778,000 ANNUALLY THAT THE HANDFUL OF DISTRIBUTORS ARE PUTTING IN THEIR POCKETS SHOULD GO BACK TO THE PEOPLE OF MAINE WHERE IT WAS ALWAYS INTENDED TO BE AND WHERE IT BELONGS.

TO THAT END I SUPPORT L.D. 1099 AND ASK THAT YOU REPORT IT OUT OF COMMITTEE UNANIMOUSLY "OUGHT TO PASS"

I THINK THE BILL IS FAIR AND LONG OVERDUE. IN THIS THE YEAR OF THE WAR ON WASTE IT IS TIME FOR THE PUBLIC CONSUMER TO STOP INVOLUNTARILY LINING THE POCKETS OF THE BEVERAGE INDUSTRY. WE SHOULD START RETURNING THOSE WINDFALL PROFITS TO THE GENERAL FUND. THESE FUNDS COULD HELP SUPPORT THE SOLID WASTE PROBLEMS OF THE STATE, INSTEAD OF CONTRIBUTING TO THEM, BY DISCOURAGING THE RETURN OF EMPTY CONTAINERS.

THE IRRESPONSIBILITY OF THE POWERFUL BEVERAGE LOBBY IN NOT ACKNOWLEDGING WINDFALL PROFIT AND FURTHER, IN PROMOTING LD 531, THE "KILL BILL" FOR THE RETURN OF EMPTIES, IS AGAINST THE GENERAL WELFARE OF THE CITIZENS OF MAINE. THE SUPPOSED "FREE MARKET" BILL IS IN REALITY JUST A FREE "MARK-UP BILL" FOR THE BEVERAGE DISTRIBUTORS IN THE STATE.

THANK-YOU FOR YOUR ATTENTION AND IF YOU HAVE ANY QUESTIONS I WOULD BE HAPPY TO TRY TO ANSWER THEM.

PETER M. CLEVELAND, WESTBROOK DISCOUNT BEVERAGE, 894 MAIN STREET WESTBROOK MAINE, 04092 854-1841

MASSACHUSETTS

Table 2: Basic Data on Unclaimed Deposits1) Monthly Averages, 1987

Total deposits collected	\$8.7 million/month
Unclaimed deposits	1.8 million
Nonreturn rate	20.9%

Source: A.B.C.C. reports

2) Total unclaimed deposits accrued

	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
Reported to A.B.C.C.	\$5.9 M	\$13.3 M	\$16.4 M	\$19.6 M	\$21.8 M
Est. additional not reported	<u>6.1</u>	<u>10.7</u>	<u>7.6</u>	<u>4.4</u>	<u>2.2</u>
Total unclaimed	12.0	24.0	24.0	24.0	24.0

DEC REPORT RESULTS
DEPOSITS INITIATED, REDEEMED AND HANDLING FEES (1
(OCTOBER 1987-SEPTEMBER 1988)

FOR QUARTER ENDED	NO. OF REPORTS	DEPOSITS			HANDLING FEES		
		INITIATED (000)	REDEEMED AMOUNT (000)	RATE	CHARGED -CONSUMERS (000)	PAID TO DEALERS (000)	RETAINED BY DISTRIBUTORS (000)
GRAND TOTAL		\$301,589	\$221,928	73.6%	\$86,921	\$64,011	\$22,910
SODA							
DEC.31,1987	161	32,371	21,177	65.4%	9,081	5,941	3,140
MARCH 31,1988	161	29,848	18,715	62.7%	8,244	5,169	3,075
JUNE 30,1988	158	40,085	23,324	58.2%	11,515	6,700	4,815
SEPT.30,1988	158	40,761	27,299	67.0%	11,903	7,972	3,931
TOTAL		143,065	90,515	63.3%	40,743	25,782	14,961
BEER							
DEC.31,1987	162	36,781	31,388	85.3%	10,682	9,116	1,566
MARCH 31,1988	164	36,193	31,959	88.3%	10,176	8,986	1,190
JUNE 30,1988	161	40,718	30,583	75.1%	12,272	9,217	3,055
SEPT.30,1988	159	44,832	37,483	83.6%	13,048	10,910	2,138
TOTAL		158,524	131,413	82.9%	46,178	38,229	7,949

NOTE: Due to independent rounding and computation details may not add to total.

These results show:

1. Return rates in general continue to be significantly lower for soda (average 63%) than for beer (average 83%); and
2. The highest quarterly return rates were 67% for soda and 88% for beer.

(1 Assumes in accord with generally accepted business practices, that the beverage industry passes on to consumers the cost of the state mandated 1.5 cent handling fee.

EXECUTIVE SUMMARY

The Department of Conservation (Department), through its Division of Recycling, administers the California Beverage Container Recycling and Litter Reduction Act (Act). The Department is required to report redemption and recycling rates every six months. In accordance with the Act, this report covers the period of July 1 through December 31, 1988.

Under the Act, if a 65 percent redemption rate for each container type is not reached in 1989, the current redemption value will increase from one cent to two cents per container on January 1, 1990. Since the next redemption rate report scheduled to be released on September 10, 1989 will complete a full reporting cycle, its results will determine which containers will have increased redemption values.

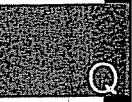
The redemption and recycling rates for the period are as follows:

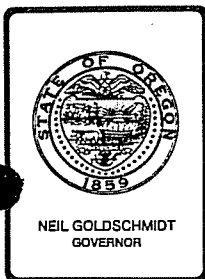
July 1 - December 31, 1988

Material Type	Redemption Rate	Recycling Rate
Aluminum	60 Percent	57 Percent
Glass	40 Percent	33 Percent
Plastic	5 Percent	5 Percent
Nonaluminum Metal	.29 Percent	n/a Percent

The redemption and recycling rates for aluminum beverage containers decreased since last reporting period when they were both 67 percent. The glass redemption rate decreased from 48 percent and the recycling rate decreased from 37 percent. Plastic and nonaluminum beverage containers have shown a slight increase.

Data collected from shipping reports showed a reduction in volume recycled for both aluminum and glass in the months of October, November and December, which brought the redemption rate down by 7 percentage points on aluminum and 8 percentage points on glass for the six-month period. At the same time, plastic increased by 1 percentage point and nonaluminum metal increased less than 1 percentage point.





Oregon Liquor Control Commission

Marquam Plaza Office

2525 SW THIRD AVENUE, SUITE 350, PORTLAND, OREGON 97201

SERVER EDUCATION PROGRAM
BEER & WINE SECTION
SERVICE PERMIT SECTION

May 2, 1989

Peter Welch
c/o R.S.V.P.
887 Forest Avenue
Portland, ME 04103

Dear Peter,

This letter will confirm our conversation on May 2, 1989 regarding beverage container redemption rates.

To my knowledge no state agency tracks the percentage rate of return on empty beverage containers. However, the wholesale malt beverage industry in Oregon estimates their return rate around 95%. Because we do not regulate the pop industry, I have no knowledge of their return rate.

I hope this answers your question. If I can be of further assistance please contact me at (503) 229-5851.

Sincerely,

James C. Miller
Supervisor
Beer & Wine Section

JCM:lw

STATE OF MICHIGAN



Liquor Control Commission
7150 Harris Drive
P.O. Box 30005
Lansing, Michigan 48909

JAMES J. BLANCHARD, Governor

DEPARTMENT OF COMMERCE

DOUG ROSS, Director

May 3, 1989

Peter Welsh
% RSUP
887 Forest Ave.
Portland, ME 04103

Dear Mr. Welch:

I am writing to confirm the information we discussed recently over the phone concerning the return rate for beverage containers in Michigan which are affected by this state's deposit requirements.

The latest figures of which we are aware that relate to this return rate have been provided to us by the Michigan Beer and Wine Wholesalers Association, a trade organization representing virtually all of the beer distributors in this state. They have indicated to us that the return rate for deposit beer containers is 97% and the rate for soft drink containers is 95.7%. I would caution that we are not aware of the exact method utilized to obtain these figures and, thus, are considered by us to be unverified at this time.

I trust this information suffices for your purposes.

Very truly yours,

MICHIGAN LIQUOR CONTROL COMMISSION

Kenneth M. Wozniak
ac

Kenneth M. Wozniak, Commission Aide
Executive Services Division

KMW:ac

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Bureau of Alcoholic Beverages
10-12 Water Street
Hallowell, Maine

Report of Malt Gallonage as reported to the State of Maine by Certificate of Approval Holders
for the year 1986.

Standing 1986	Certificate Holders	1986	1985
1.	Anheuser-Busch, Inc.	13,111,216 Gals.	12,829,495 Gals.
2.	Miller Brewing Company	4,652,258	4,631,698
3.	Adolph Coors Company	3,640,247	3,310,885
4.	Stroh Brewery Company	1,982,648	2,051,557
5.	G. Heileman Beverage Co., Inc.	578,174	533,548
6.	Pabst Brewing Company	490,119	709,195
7.	Martlet Importing Co., Inc.	326,641	319,984
8.	Falstaff Brewing Company	313,544	418,243
9.	Van Munching & Co., Inc.	307,870	336,800
10.	C. Schmidt & Sons, Inc.	171,181	130,669
11.	All Brand Importers, Inc.	124,918	140,528
12.	Latrobe Brewing Company	88,972	45,353
13.	Dribeck Importers, Inc.	83,580	77,220
14.	Guinness Import Company	77,427	65,416
15.	Labatt Importers, Inc.	77,426	61,602
16.	Maine Coast Brewing Company	56,318	---
17.	Genesee Brewing Company	53,016	61,006
18.	Carlton Sales Co/Monterey Bay Co.	40,221	36,329
19.	Boston Brewing Company	16,821	---
20.	Grolsch Importers, Inc.	12,627	6,330
21.	United Liquors, Ltd.	9,479	8,200
22.	Century Importers, Inc.	9,261	12,802
23.	Monarch Import Company	4,788	4,268
24.	Sieb Distributors, Inc.	4,548	1,850
25.	Gourmet Beer Inter/Merchant Du Vin	3,806	4,625
26.	F. X. Matt Brew. Co/West End Brewing	2,586	---
27.	Champale, Inc.	2,388	441
28.	Best Brands, inc.	2,340	---
29.	Caparra Sales/Boston Beer Brands	1,922	---
30.	Connecticut Beverage Company	1,790	3,270
31.	Cibco Importing Company	1,727	447
32.	JFC International Inc.	1,720	900
33.	Medley Distilling Company	1,244	1,674
34.	Hans Holterbosch, Inc.	1,080	1,080
35.	Boston Beverage Company	779	1,139
36.	Kirin U.S.A., Inc.	630	2,148
37.	C. & M. Distributing Co., Inc.	609	2,229
38.	Advanced Brands & Imp., Inc.	507	642
39.	Almaden Vineyards, Inc.	421	898
40.	Global Trading Inc.	326	218
41.	Beer Import Company	158	611
	Pearl Brewing Company	no sales	9,521
	M. H. Gordon & Sons/World Wide Wines	"	5,682
	Scan Am Import-Export Inc.	"	3,240
	Atalanta Corp.	"	913
	Inter-Floridana, Inc.	"	729
	Boulder Brewing Company	"	653
		26,257,333 Gals.	25,834,038 Gals.
Increase		423,295 Gals.	

Bureau of Alcoholic Beverages
10-12 Water Street
Hallowell, Maine

Report of Malt Gallonages as reported to the State of Maine by Certificate of Approval Holders
and In-State Brewery for the year 1987.

<u>Standing</u> <u>1987</u>	<u>Certificate Holders</u>	<u>1987</u>	<u>1986</u>
1.	Anheuser-Busch, Inc.	14,154,211 Gals.	13,111,216 Gals.
2.	Miller Brewing Co.	4,568,538	4,652,258
3.	Adolph Coors Company	3,051,273	3,640,247
4.	Stroh Brewery Company	1,938,060	1,982,648
5.	G. Heileman Brewing Co., Inc.	662,985	578,174
6.	Pabst Brewing Company	502,710	490,119
7.	Martlet Importing Company	384,270	326,641
8.	Van Munching & Co., Inc.	318,075	307,870
9.	Falstaff Brewing Company	256,132	313,544
10.	All Brand Importers Inc.	169,372	124,918
11.	Latrobe Brewing Company	164,062	88,972
12.	Labatt Importers Inc.	118,831	77,426
13.	Dribeck Importers Inc.	92,328	83,580
14.	Guinness Import Company	83,397	77,427
15.	C. Schmidt & Sons, Inc.	46,939	171,181
16.	Genesee Brewing Company	36,913	53,016
17.	Carlton Sales Co/Monterey Bay Co.	28,902	40,221
18.	Maine Coast Brewing	25,657	56,318
19.	Boston Brewing Company	17,748	16,821
20.	Century Importers Inc.	11,228	9,261
21.	Grolsch Importers Inc.	10,397	12,627
22.	United Liquors, Ltd.	8,473	9,479
23.	Medley Distilling Company	7,221	1,244
24.	Caparra Sales/Boston Beer Brands	5,063	1,922
25.	Gourmet Beer Inter/Merchant Du Vin	4,696	3,806
26.	Monarch Wine Company	4,415	4,788
27.	Sieb Distributors, Inc.	4,412	4,548
28.	JFC International Inc.	3,796	1,720
29.	Connecticut Beverage Company	3,748	1,790
30.	Cibco Importing Company	1,837	1,727
31.	Advanced Brands & Imp., Inc.	869	507
32.	Glenville Importers	856	---
33.	International Beverages Inc.	473	---
34.	Pacific Paradise Import	473	---
35.	Phoenix Imports, Ltd.	454	---
36.	Inter-Floridana Inc.	378	---
37.	Domaine Cellars, Inc.	244	---
38.	F. X. Matt Brewing Company	202	2,586
	Champale, Inc.	no sales	2,388
	Best Brands, Inc.	"	2,340
	Hans Holterbosch, Inc.	"	1,080
	Boston Beverage Company	"	779
	Kirin U.S.A., Inc.	"	630

Con't

Certificate Holders19871986

C & M Distributing Co., Inc.
Almaden Vineyards, Inc.
Global Trading Inc.
Beer Import Company

no sales

"

"

"

609 Gals.

421

326

158

26,689,638 Gals.

26,257,333 Gals.

D. L. Geary Brewing Co.

92,516

1,860

26,782,154 Gals.

26,259,193 Gals.

Increase

522,961 Gals.

Bureau of Alcoholic Beverages
10-12 Water Street
Hallowell, Maine

Report of Malt Gallonages as reported to the State of Maine by Certificate of Approval Holders and In-State Breweries for the year 1988.

Standing 1988	Certificate Holder	1988	1987
1.	Anheuser-Busch, Inc.	14,584.633 Gals.	14,154,211 Gals.
2.	Miller Brewing Company	4,810,196	4,568,538
3.	Adolph Coors Company	3,036,199	3,051,273
4.	Stroh Brewery Company	1,740,685	1,938,060
5.	G. Heileman Brewing Co.	658,512	662,985
6.	Pabst Brewing Co.	527,510	502,710
7.	Martlet Importing Co., Inc.	479,886	384,270
8.	Van Munching & Co., Inc.	337,677	318,075
9.	Falstaff Brewing Company	234,148	256,132
10.	Gambrinus Importing Co., Inc.	206,579	---
11.	Latrobe Brewing Company	189,672	164,062
12.	All Brand Importers, Inc.	181,331	169,372
13.	Labatt Importers, Inc.	146,200	118,831
14.	Dribeck Importers, Inc.	97,016	92,328
15.	Guinness Import Company	95,116	83,397
16.	Genesee Brewing Company	30,939	36,913
17.	Century Importers, Inc.	25,159	11,228
18.	Boston Brewing Company	19,639	17,748
19.	Carlton Sales/Monterey Bay Co.	18,024	28,902
20.	Maine Coast Brewing	15,830	25,657
21.	United Liquors, Ltd.	12,487	8,473
22.	Hiram Walker, Inc.	8,979	---
23.	Caparrs Sales Co./Boston Beer Brands	7,345	5,063
24.	Grolsch Importers, Inc.	6,934	10,397
25.	Monarch Import Company	4,789	4,415
26.	Sieb Distributors, Inc.	4,595	4,412
27.	JFC International, Inc.	4,204	3,796
28.	Gourmet Beer Inter/Merchant Du Vin	4,112	4,696
29.	Medley Distilling Company	3,688	7,221
30.	Advanced Brands & Importers	3,336	869
31.	Domaine Cellars, Inc.	2,016	244
32.	Wisdom Import Sales Co.	1,369	---
33.	International Beverage Inc.	804	473
34.	Hans Holterbosch, Inc.	333	---
	C. Schmidt & Sons, Inc.	no sales	46,939
	Connecticut Beverage Co.	"	3,748
	Cibco Importing Co.	"	1,837
	Glenville Importers	"	856
	Pacific Paradise Import	"	473
	Phoenix Imports, Ltd.	"	454
	Inter-Floridana, Inc.	"	378
	F. X. Matt Brewing Co.	"	202
		27,499,942 Gals.	26,689,638 Gals.

In-State Breweries

D. L. Geary Brewing Co.
Brew Associates

1988

103,493 Gals.
894

1987

92,516 Gals.

27,604,329 Gals.

26,782,154 Gals.

Increase

822,175 Gals.

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THE STATE'S ECONOMY — A HISTORIC GLANCE

MAINE

EMPLOYMENT (000)

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Durable Goods	343	385	417	418	416	40.1	40.3	43.6	43.1	45.4	47.5
Non-durable Goods	71.6	72.2	72.9	71.3	71.9	68.4	68.7	66.8	62.8	58.2	56.1
Total Manufacturing	105.9	110.7	114.6	113.1	113.5	108.5	109.0	110.4	105.9	103.6	103.6
Construction	20.6	19.4	19.4	19.5	17.8	16.8	17.0	20.4	23.5	26.9	30.9
Financial	15.1	15.7	16.2	16.5	17.0	17.5	18.1	19.6	20.9	22.9	24.8
Trade	83.7	88.3	89.6	88.9	89.4	90.4	94.4	101.3	108.0	116.1	124.1
Service	67.3	71.4	74.8	78.2	80.2	81.4	84.5	90.6	95.8	101.6	108.4
Transportation & Utilities	18.0	18.0	18.7	18.7	18.7	18.5	18.4	19.1	19.3	19.4	20.4
Government	77.2	81.5	82.6	83.3	82.6	82.1	83.1	83.8	84.9	86.7	88.6
Total Non-manufacturing	281.9	294.3	301.3	305.0	305.7	306.7	315.6	334.9	352.5	373.7	397.4
Total Non-agricultural	387.8	405.0	415.9	418.1	419.2	415.2	424.6	445.3	458.4	477.3	501.0
Self Employed, Farmers, Commuters	50.2	48.0	47.1	50.0	52.9	56.8	65.4	71.7	64.6	53.7	60.0
Total Employment	438.0	453.0	463.0	468.1	472.1	472.0	490.0	517.0	523.0	531.0	561.0
Civilian Labor Force	478	483	499	507	509	516	537	551	553	561	587
Total Employment	438	453	463	468	472	472	490	517	523	531	561
Number Unemployed	40	30	36	39	37	44	47	34	30	30	26
Unemployment Rate (%)	8.4	6.2	7.2	7.7	7.3	8.5	8.8	6.2	5.4	5.3	4.4
Population*	1,104	1,114	1,123	1,125	1,133	1,136	1,145	1,156	1,165	1,172	1,187

LABOR FORCE/POPULATION (000)

Personal Income (Millions \$)	6,375	7,016	7,787	9,248	10,227	10,902	11,781	12,915	13,834	15,056	16,579
Per Capita Income (\$)	5,774	6,298	6,934	8,220	9,026	9,597	10,289	11,172	11,875	12,846	13,987
Per Capita Income (82\$)	8,442	8,663	8,800	9,544	9,587	9,597	9,881	10,323	10,612	11,173	11,724
Housing Starts Total**	4,753	5,614	4,310	3,406	2,521	3,146	4,162	6,570	8,113	9,554	9,800
Single Units	3,686	4,108	2,938	2,213	2,036	2,178	3,224	4,347	5,672	6,801	7,228
Multi Units	1,067	1,508	1,372	1,193	485	968	938	2,223	2,441	2,753	2,572

*As of July 1.

**Based on Permit Data.

THE STATE'S ECONOMY — A HISTORIC GLANCE

MAINE

EMPLOYMENT

	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Durable Goods	12.2	8.3	0.2	-0.5	-3.6	0.5	8.2	-1.1	5.3	4.6
Non-durable Goods	0.8	1.0	-2.2	0.8	-4.9	0.4	-2.8	-6.0	-7.3	-3.6
Total Manufacturing	4.5	3.5	-1.3	0.4	-4.4	0.5	1.3	-4.1	-2.2	0.0
Construction	5.8	0.0	0.5	-8.9	-5.5	1.6	19.7	15.2	14.5	14.9
Financial	4.0	3.2	1.7	3.5	2.7	3.2	8.4	7.0	9.6	8.3
Trade	5.5	1.5	-0.8	0.6	1.1	4.4	7.3	6.6	7.5	6.9
Service	6.1	4.8	4.5	2.6	1.5	3.9	7.2	5.8	6.0	6.7
Transportation & Utilities	0.0	3.9	0.1	0	-0.8	-0.5	3.8	0.8	0.7	5.1
Government	5.6	1.3	0.8	-0.9	-0.6	1.2	0.9	1.2	2.1	2.2
Total Non-manufacturing	4.4	2.4	1.2	0.2	0.3	2.9	6.1	5.3	6.0	6.3
Total Non-agricultural	4.4	2.7	0.5	0.3	-1.0	2.3	4.9	2.9	4.1	5.0
Self-Employed, Farmers, Commuters	-4.4	-1.9	6.1	5.9	7.4	15.2	9.7	-9.9	-17.0	11.8
Total Employment	3.4	2.2	1.1	0.9	0	3.8	5.5	1.2	1.5	5.6

LABOR FORCE/POPULATION

THE STATE'S ECONOMY - A HISTORIC GLANCE

NEW HAMPSHIRE

EMPLOYMENT (000)

	1977	1978	1979	1980	1981	1982	1983	1984
Durable Goods	62.9	64.3	71.0	74.2	74.9	72.4	73.0	82.7
Non-durable Goods	43.8	45.5	45.5	42.4	41.7	39.2	40.4	40.7
Total Manufacturing	106.7	109.8	116.5	116.6	116.6	111.6	113.4	123.4
Construction	17.3	19.2	21.1	19.8	20.7	23.2	24.8	25.6
Financial	16.2	17.4	18.7	19.8	20.6	21.0	21.6	23.4
Trade	73.7	80.2	83.2	85.5	88.8	88.5	94.1	104.6
Service	62.3	65.3	67.6	72.4	76.8	79.5	84.5	91.5
Transportation & Utilities	12.3	13.0	13.5	14.0	14.4	14.7	15.0	15.5
Government	53.8	56.6	57.0	57.5	57.1	56.4	56.7	57.5
Total Non-manufacturing	235.6	251.7	261.1	269.0	278.4	283.2	296.7	318.1
Total Non-agricultural	342.3	361.5	377.6	385.6	395.0	394.8	410.1	441.5
Self-Employed, Farmers, Commuters	50.7	57.5	63.4	61.4	59.0	52.2	52.9	57.5
Total Employment	393.0	419.0	441.0	447.0	454.0	447.0	463.0	499.0

LABOR FORCE/POPULATION (000)

Civilian Labor Force	418	436	455	469	478	483	500	521
Total Employment	393	419	441	447	454	447	463	499
Number Unemployed	25	17	14	22	24	36	37	22
Unemployment Rate (%)	6.0	3.9	3.1	4.7	5.0	7.5	7.4	4.2
Population*	870	892	909	921	937	948	958	978

INCOME/HOUSING STATISTICS

Personal Income (Millions \$)	6,103	6,993	7,957	8,908	10,213	10,990	12,260	13,752
Personal Income (Millions \$2\$)	8,923	9,619	10,098	10,343	10,848	10,990	11,774	12,706
Per Capita Income (\$)	7,015	7,840	8,754	9,672	10,900	11,593	12,797	14,061
Per Capita Income (\$2\$)	10,256	10,784	11,109	11,230	11,577	11,593	12,290	12,992
Housing Starts Total**	6,702	7,162	6,769	5,278	4,368	4,508	7,727	11,051
Single Units	5,231	5,657	4,774	3,678	2,969	3,042	5,324	7,212
Multi Units	1,471	1,505	1,995	1,600	1,399	1,466	2,403	3,839

*As of July 1.

**Based on Permit Data.

THE STATE'S ECONOMY - A HISTORIC GLANCE

NEW HAMPSHIRE

EMPLOYMENT

	1978	1979	1980	1981	1982	1983	1984
Durable Goods	2.2	10.4	4.5	0.9	-3.3	0.8	13.3
Non-durable Goods	3.9	0.0	-6.8	-1.7	-6.0	3.1	0.7
Total Manufacturing	2.9	6.1	0.1	0.0	-4.3	1.6	8.8
Construction	11.0	9.9	-6.2	4.5	12.1	6.9	3.2
Financial	7.4	7.5	5.9	4.0	1.7	3.1	8.3
Trade	8.8	3.7	2.8	3.9	-0.4	6.4	11.2
Service	4.8	3.5	7.1	6.1	3.5	6.3	8.3
Transportation & Utilities	5.7	3.8	3.7	2.5	2.4	2.0	3.3
Government	5.2	0.7	0.9	-0.7	-1.2	0.5	1.4
Total Non-manufacturing	6.8	3.7	3.0	3.5	1.7	4.8	7.2
Total Non-agricultural	5.6	4.5	2.1	2.4	.0	3.9	7.7
Self Employed, Farmers, Commuters	13.4	10.3	-3.2	-3.8	-11.6	1.3	8.7
Total Employment	6.6	5.2	1.1	1.0	-1.1	1.3	8.7

PERCENT CHANGE OVER PRIOR YEAR

	1985	1986	198
Durable Goods	1.7	-2.5	0.1
Non-durable Goods	-5.7	-5.2	-0.1
Total Manufacturing	-0.7	-3.3	0.1
Construction	22.3	14.4	6.1
Financial	8.5	11.4	12.1
Trade	6.8	8.7	6.1
Service	8.5	8.8	5.1
Transportation & Utilities	1.9	4.4	3.1
Government	4.3	3.3	4.1
Total Non-manufacturing	8.0	8.3	6.1
Total Non-agricultural	5.5	5.2	4.1
Self Employed, Farmers, Commuters	-11.2	7.1	8.0
Total Employment	-11.2	7.1	8.0

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The High and Rising Stakes of Beer Wholesaler Consolidation

An examination of size in motion.

By Ugo F. Ippolito and Andrew S. Christon

The unsettling fact about the beer wholesaler industry today is that 900-plus Anheuser-Busch wholesalers control 41 percent of total beer sales, while a much greater number of 2,700 wholesalers control a "shrinking" 59-percent share of beer industry sales. Add to this the well-known fact that total U.S. beer consumption is at best growing one-to-two percent and you begin to perceive why the stakes of beer wholesaler consolidation are high and rising.

A large segment of the beer wholesaler industry is operating at a cost disadvantage to its formidable lead competitor. If all U.S. beer volume including imports were spread evenly throughout the U.S.—and we know that it's not—the average local A-B wholesaler would handle roughly 1.2 million cases annually. The average A-B competitor would handle 560,000 cases. Therefore, the average A-B wholesaler handles at least twice the volume of its average competitor. Chances also are high that the A-B distributor is operating over a much wider territory than its competitors. This gives the A-B wholesaler advantages in making chain-store calls and provides other marketing and distribution efficiencies.

The benefits of consolidation can be

significant, especially to the non-A-B wholesaler. The additional volume and combining of operations will provide significant per-case savings in salaries and employee benefits, the largest single expense category for the wholesaler after product costs. The number of cases dropped off per customer stop is maximized (with more cases and fewer stops per truck), vehicle expense per case goes down, and local warehouse facilities can be combined with significant savings in rent and warehouse operating/handling expenses. General administrative expenses including accounting, financial reporting and similar expenses are spread over more cases. For certain large wholesalers, there even may be freight opportunities to haul beer from breweries for other wholesalers served by the same supplier.

A larger volume base also will enable the beer wholesaler to generate the gross dollars to pay the additional salaries of professional sales people and the other staff support needed to compete profitably and aggressively in tomorrow's environment. The larger wholesaler can make cost-effective and valuable use of outlet-based computer sales data, financial reporting, and other management information systems tailored to beverage distribution/marketing operations.

Ideally, what you find happening with the combination of two or more wholesalers in a local market is that while total expenses go up, volume and incremental sales dollars go up faster. Stated another way, total revenues go up while expenses per case or per dollar of revenue go down.

Not long ago we analyzed the combination of two wholesalers formed into one several-million-case operation. In this combination, the buyer correctly anticipated that additional sales would go up much faster than additional expenses,

resulting in improved profitability and cash flow. In this instance, the added cases were projected to produce savings of up to \$0.30 per case on the combined volume of both wholesalers.

On a stand-alone basis, the wholesaler making the acquisition previously was able to muster an operating profit margin only equal to five percent of net sales. As a result of the economic benefits of combining with the other local wholesaler, the buyer now expects to generate an operating profit margin of eight percent on a much larger sales base. The savings occurred in all areas of operation (see accompanying chart).

Obviously, each consolidation opportunity is different, and the savings will vary.

"The incentive for value-adding combinations of wholesalers exists for both buyer and seller."



Ugo F. Ippolito and Andrew S. Christon are principals of Ippolito Christon & Company, an Atlanta, GA-based consulting firm providing financial services to clients in the soft drink, beer and foodservice industries.

The real value of beer wholesaler consolidation is in the combining of two (or more) entities at an affordable price into one operation that eliminates duplication of effort, improves the efficient utilization of assets and reduces operating expenses. As total volume for the consolidated entity increases, unit costs go down and total profits improve, perhaps substantially.

The incentive for value-adding combinations of wholesalers exists for both buyer and seller. The value of the benefits do not necessarily have to go just to the buyer (or to the seller). There are precise ways of measuring, on a discounted

Cost-Cutting through Consolidation (Cost per Case)

Expense Item	Before	After	Savings
Salaries/Benefits	\$0.81	\$0.69	\$0.12
Vehicle Expense	0.24	0.19	0.05
Building Rent	0.07	0.00	0.07
Selling/Advertising	0.05	0.03	0.02
Insurance	0.04	0.03	0.01
General and Administrative	0.09	0.06	0.03
Total Operating Expenses	\$1.30	\$1.00	\$0.30

cash flow basis, the value created in a combination of two similar beer wholesaler operations. It is only appropriate that some of the value to be realized by the buyer is passed on to the seller in the form of a higher price to be paid for the assets (or stock) which go to the purchasing wholesaler. If both parties are aware of the potential value created by an efficient combination, it ought to be easier to negotiate and close a transaction acceptable to both.

A wholesaler who is selling his business does himself a great disservice if he attempts to estimate the value of his franchise on the basis of "price per case," or asset-value plus "blue sky," or multiples of earnings/cash flow, or some other arbitrary measure. These traditional measures of value are perfectly acceptable for "expressing" value, but they should not be used to "calculate" value.

We recently valued a transaction in the Mid-Atlantic region in which a small wholesaler employing a method of asset-valuation plus "blue sky" to price his business may have shortchanged himself substantially. The buyer would have gone higher than what the seller thought the business was worth, based on the additional cash-flow benefits expected to accrue to the buyer once the combination was completed. Increasingly, many

*In the final analysis,
it may be a matter
of survival for
the other half
of the industry.*

sophisticated investors and buyers are now carefully analyzing and projecting the benefits of a proposed combination to determine how high they can go to achieve their returns—without overpaying.

The same techniques developed in recent years by major soft drink companies to value franchisees can apply and are applied also to beer wholesalers. The intrinsic value of a beer wholesaler can be calculated by projecting its "free cash flow" and then discounting it at the appropriate cost of money to a present value. The projected "free cash flow" is derived from specific and realistic operating assumptions concerning: 1) future volume/revenue growth; 2) operating profit margins including the efficiencies to be realized upon a cost-saving combination; and 3) the reinvestment needs of the

beer wholesaling business.

As to how brewers might view the combining of local wholesalers into stronger entities, it would seem that in the long run it would be to everyone's best interest if the wholesaler segment of the industry became more efficient and, as a result, more competitive. Efficiency could even translate into brewers increasing the effectiveness of their marketing programs—since the wholesalers will have a more professional sales staff—and competitiveness would translate into increased volume and market share.

Imaging remains the responsibility primarily of the brewer. However, a healthy and independent wholesaler is able to exert influence at the store level in such important matters as location of product, shelf space, floor displays, and the placement of point-of-sale materials and advertising signage.

Most importantly, a healthy and independent local wholesaler who has the right product lines can boost sales through the building of customer relationships and constant attention to service on behalf of the retail customer. In the process, the beer wholesaler becomes a more important member of the local community where his voice can be more effectively heard on the important social and political issues challenging the beer industry today.

The industry leader likely has drawn the boundaries of its national franchise map to maximize its own sales and profitability, while simultaneously giving to its business partners—the beer wholesalers—a local franchise territory possessing sensible economic costs and potential benefits if worked properly by the wholesaler. The size of its wholesalers with the attendant efficiencies has been a factor in the continued growth of the industry leader. To effectively compete, their competitors must be serviced by equally efficient wholesalers. This, in many circumstances, means larger wholesalers.

In many situations throughout the industry today, the opportunities for beer wholesaler consolidation may be even more relevant than simply trying to improve profitability and financial return. In the final analysis, it may be a matter of survival for the other half of the industry.

We therefore see consolidation of beer wholesalers as an important element to the continuing vitality of the greater number of wholesalers who control a shrinking share of the total beer volume. BW

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MISCELLANEOUS DATA

- A. Sales of beer have increased over the last three years in Maine: 1988 over 1987 plus 3.0%; 1987 over 1986 2.0%; 1986 over 1985 1.6%. This is despite the fact that New Hampshire continues not to have deposit legislation.

See gallonage reports Bureau of Alcoholic Beverages.

- B. Total Waste State of Maine D.E.P.

1 million total tons annually
880,000 tons municipal waste
120,000 tons bulky waste

- C. The reported savings is 5% - 7% under the current bottle bill.
- D. The projected savings for the expanded bottle bill is an additional 5% - 7%.
- E. Tipping fees per ton range from 5.00 - 15.00 per ton as a low at incinerator plants, to 35.00/ton at CWS to 79.00/ton commercial waste at RWS. There is no state average according to the Office of Waste Reduction and Recycling. The above numbers were obtained from MERC. The Office of Waste Reduction suggesting picking a number between 0 - 70. Using 35.00/ton the bottle bill presently saves towns and municipalities and its taxpayers between 1.75 million - 2.45 million annually. The expansion would double that amount annually on a statewide basis.

Organizations like MERC support a strong and expanded bottle bill as the glass containers and aluminum containers represent a burden as they have little B.T.U. value, and produce unwanted ash. Also, in MERC's case aluminum inhibits the process of burning.

- F. The Business and Legislation Committee Report on a study of handling fees and unclaimed refunds under the container law estimated that redemption centers handle 25%. We estimate the number to be higher and perhaps as high as 50%. We cannot support this data at this point but we believe it is generally accurate.

TOTAL CONCLUSIONS:

The container law in Maine is a victim of increasing labor costs and space costs statewide. This has followed the labor and property increase trends since the last increase in the handling

fee was passed in 1979-80. In that decade the revenue side has been fixed at \$.02/unit. Other attendant costs have risen dramatically. The capital base of this system is being eroded by operating losses.

States that document their return rates indicate an 80% return. The excess dollars go as windfall to the distributors. Vermont has increased its handling fee to \$.03. If the bottle bill becomes ineffective as numbers of redemption centers go out of business and or reduce the amount and types of returns they accept, landfill space will be more rapidly used, bidding up the price of that scarce commodity. Other waste facilities advocate an expansion. MERC supports this for reasons already stated. The beverage industry gains great economic benefit by discouraging returns of containers.

If the 5% - 7% presently in the system is jeopardized, the costs to the public and the environment are great. Similarly, the proposed expansion may save or cost the public and the environment.

It was the original intent of this legislation to provide incentive for the return of empties by consumers and redemption centers and other dealers and distributors. Presently, distributors have incentive not to have returns. Redemption centers and other dealers now have no incentive and will have even less with an expansion.

There is legislation in several states on these matters.

APRIL 12, 1989

MAINE ASSOCIATION OF REDEMPTION CENTERS (MARC)

POSITION PAPER ON L.D. 531

MARC is strongly opposed to the concept and the intent of L.D. 531. One only needs to look at the statement of facts in this bill to see the true intent of the bill.

The bottle bill is the one presently working system statewide, which reduces the solid waste stream by 5-7% without costing the taxpayers a cent. The original framers of the bill prefaced it by saying it was intended to be a framework of incentives to help litter and solid waste. Part and parcel of those incentives is the handling fee for the retailers, redemption centers and restaurants in the state. These are the people that for ten years have worked on the front lines of the war on waste and have done so without any pay increase. Distributors have a natural incentive for the bill NOT TO work and therefore the return rate to go down and their incomes to go up.

Although asked on many occasions, proponents of the so-called "free market approach" to compensate the workers under this bill, have never put forward a plan that would accomplish that end. There is no justification to do away with the handling fee except in the minds of the 15-18 distributors in the state who would simply balloon the 7 million dollars a year which they presently retain from unclaimed deposits.

Any reduction in incentive to the bottle handlers is a reduction to the solid waste efforts of the state. The support of the trash to energy plants in the state of a working bottle bill is clear. We are supported in this position by Randy Parenteau of MERC and other trash burners. The glass gives no BTU value and the aluminum gums up the burners. Both glass and aluminum are presently being separated out of the trash process. The more bottles and cans that are taken out of the solid waste stream by the bottle bill the less it becomes a problem for the burners, the municipalities and the landfills that must bear the economic impact of those items in the waste stream. It also reduces the quantity of ash and its attendant problems. The relationship between the incentive part of the bill and its effectiveness is clear and any disincentive by cutting or eliminating the handling fee is equally clear. Without an addition to the handling fee, there is already a disincentive for bottle bill handlers--without a handling fee there is no incentive.

The bill works now! Why would anyone want to sabotage the efforts of solid waste removal in a time when solid waste is at the forefront of legislative necessity.

It seems to us that the proposed bill seeks to do away with one of the arrows in the solid waste quiver that is already in place, working well and user fee generated. We hope the irresponsibility of that position is observed by the committee and wholeheartedly rejected.

Respectfully Submitted,



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