

MINUTES OF THE House COMMITTEE ON Energy and Natural ResourcesThe meeting was called to order by Representative David J. Heinemann at
Chairperson3:30 ~~xxx~~/p.m. on February 29, 1984 in room 519-S of the Capitol.

All members were present except:

Representative Charlton (excused)
 Representative Foster (excused)
 Representative Grotewiel (excused)

Committee staff present:

Ramon Powers, Legislative Research
 Theresa Kiernan, Revisor of Statutes' Office
 Pam Somerville, Committee Secretary

Conferees appearing before the committee:

Chiquita Cornelius, Kansas Beverage Industry Recycling Program, Inc.
 Jim Moss, Liberty Glass Company, Sapulpa, Oklahoma
 Frances Kastner, Kansas Food Dealers' Association, Inc.
 Albert Lollar, Kansas Retail Liquor Dealers Association, Inc.
 Jack Crawford, Continental Can Company, The Can Manufacturers
 Institute.
 Bob Sutton, Kansas Soft Drink Association
 Paul DeBauge, Distributor and Bottler
 Bud Grant, Kansas Chamber of Commerce and Industry
 George Lake, Coca-Cola Bottling Company of Mid America, Lenexa, KS
 Al Ward, Taco Casa

Hearing for Opponents on HB 2863 - An act concerning litter
 control; providing for redeemable
 beverage containers.

Chiquita Cornelius, Executive Director of the Kansas Beverage
 Industry Recycling Program (Kansas BIRP), appeared in
 opposition to HB 2863. Ms. Cornelius stated that after the
 1981 hearings dealing with the same issue, industry representatives
 began researching alternatives to forced deposit. (Attachment 1).

Jim Moss, Liberty Glass Company, Sapulpa, Oklahoma, appeared in
 opposition to HB 2863. The ramifications of the legislation would
 escalate beverage prices beyond return. He urged the committee
 to adversely report HB 2863. (Attachment 2).

Frances Kastner, Kansas Food Dealers Association, expressed
 opposition to HB 2863. Mr. Kastner stated that members had been
 encouraged to join BIRP as a means of dealing with litter control.
 (See Attachment 3).

Albert Lollar, Kansas Retail Liquor Dealers Association, spoke in
 opposition. He stated that forced deposit was not the answer to
 litter control, and felt the BIRP system was the most logical
 approach to litter. (See Attachment 4).

Jack Crawford, Continental Can Company and the Can Manufacturers
 Institute, appeared in opposition to HB 2863. Mr. Crawford
 expressed concern that forced deposit would raise the prices of
 all beverages and would not alleviate the litter problem in Kansas.
 (See Attachment 5).

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Energy and Natural Resources,
room 519-S, Statehouse, at 3:30 ~~a.m.~~/p.m. on February 29, 1984, 19

The next conferee, Mr. Paul DeBauge, a beer and soft drink bottler in Emporia, expressed opposition and stated that he operated a BIRP recycling center and found it to be a very positive approach to litter control. He agreed, as with previous conferees, that forced deposit was not the answer. (See Attachment 6).

Bob Sutton, Seven-Up Bottling Company of Topeka, was opposed to HB 2863 because of the "time, energy, and additional cost required by us, our customers, and the consumers to meet the criteria of the proposed legislation". He suggested an indepth analysis of the issue before proposing legislation such as that contained in HB 2863 (See Attachment 7).

Bud Grant, Kansas Chamber of Commerce and Industry, addressed the committee in opposition to HB 2863. Mr. Grant cited statistics that other states have forced deposit; however, it has not alleviated the problem. (See Attachment 8).

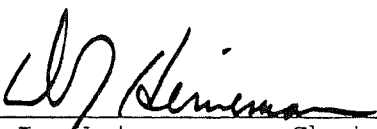
George Lake, Coca-Cola Bottling Company, Lenexa, Kansas, appeared in opposition. He said the added costs to consumers to comply with the language in HB 2863 would have a major impact on the beverage industry. He urged adverse recommendation of HB 2863. (See attachment 9).

Mr. Al Ward, Taco Casa, Topeka, appeared in opposition and said that mandatory deposit on beverage containers would be costly to comply with and very difficult to administer. (See Attachment 10).

Hearing concluded on HB 2863.

There being no further business before the committee, the meeting was adjourned at 5:20 p.m.

The next meeting of the House Energy and Natural Resources Committee will be held March 1, 1984 at 3:30 p.m.



David J. Heinemann, Chairman

Date 2-29-84

GUESTS

HOUSE ENERGY AND NATURAL RESOURCES COMMITTEE

NAME	ADDRESS	ORGANIZATION
Ron Moran	4001 Dewey	7-up
Pick Moody	129 Quincy	DePepper
H. ARNOLD WASSERBERG	1920 KENMAR MANHATTAN	PEPST COLA
Bill Cabel	F 8 th & Hwy	740 Coors Inc.
Henry & Warrabing	604 CENTER	Markon Sales
Shirley Thompson	"	"
John Hoque	1100 W 29 Topeka	Pepsi-Cola Bottling
Ferris Hogue	1100 W 29 Topeka	" "
Bob Price	845 A N. Kansas Ave Topeka	Jefferson Ford Dealers Assoc.
Bert Fuller	3120 Kc Topeka	Fuller Inc.
Dick Starr	4805 N Topeka	PEPSI-COLA owner
A.R. Castleberry	12049 W. 99 th St., Lenexa, KS 66215	Mission United Super
Arnold Simpson	2815 State Ave Topeka	Mission United Super
Leonard McKinzie	8701 W 95 th D.P. Kan.	Cherokee United Super
Robert Lynn Wiggins	4701 Mission Rd Westwood KS	Westwood United Super
Paul R. Fisher	2537 DUNCAN TOPEKA KS.	PEPSI-COLA BOTTLING
W.W. Mae Albine	5013 NW Pueblo CT Topeka	Pepsi-Cola
Jim Jindler	145 S. Fountain Wichita KS	Pepsi-Cola
Myrna Strang		Joe L W
Bruce Jackson	Wichita	Pepsi-Cola
Lloyd Holt	Box 977 Wichita KS	Pepsi-Cola
V FORCE	SAPULPA OKLA	LIBERTY GAS CO.
Don Snowgrass	Topeka KS	Wilbert Enterprises Inc

Date: 2-29-84

GUESTS

HOUSE ENERGY AND NATURAL RESOURCES COMMITTEE

NAME	ADDRESS	ORGANIZATION
Jim Moss	317 E. Lee St. Sapulpa, OK. ⁷⁴⁰⁶⁶	Liberty Glass
Tom Stideman	502 Williams St. Sapulpa, OK	Stideman's Inc.
Jack Crawford	7224 PALMYRA DR. FAIR PARK, OK	Continental Bank
Wayne Probasco	615 S. Topoka, Topeka	Ks. Soft Drink Assn
Larry O. Bauge	1728 Sherwood	Cocalola-Empana
Paul F. DeBauge	2915 W. 15th Ave	DeBauge Bros. Inc.
MUCK MALLOY	1221 GAGE TOPEKA	HARRY'S
JIM LEWIS	905 IOWA, LAWRENCE	RUSTY'S
MARGE HEENEY	5303 N.W. 70 66618	TAXPAYER
STALE SUTTON	2033 COLLINS 66601	TYP
Dorothy Belden	2619 Randall St 266-5739	7-40
John Sutton	1621 W. 11th St	235-5451 7-40
BOB SUTTON	"	" "
PRESIDENT, KS. SOFT DRINK ASSN.		
John Johnson	2033 N. Trent Ave	Sutton's Food Stores
Robert Johnson	Belmont Kansas	Robert Johnson
Wanda R. Dunt	Rt 2 Altona Kansas 67410	Wanda R. Dunt
Bill Dunt	Altona Kansas	Wanda R. Dunt
FRED HEINS	702 N. LINCOLN BELOIT KS.	BELOIT ZOO
ALAN WILL	317 EAST LEE, SAPULPA, OK 74066	LIBERTY GLASS CO.
BILL SUTTON	129 QUINCY	74P
DON KARGERLINE	1418 ARRAULT, TOPEKA	TAXPAYER

Date 2-29-84

GUESTS

HOUSE ENERGY AND NATURAL RESOURCES COMMITTEE

NAME	ADDRESS	ORGANIZATION
Donald W Miller	Orange KS	Ks Local Wholesale
Dave B Brooks	Topeka KS	Mikes IGA
Bob Freestey	Topeka KS	Cleming Co.
Spencer Sery	Topeka	L.H.W.
Bill Vawter	Meriden KS	7UP Batt.
John Pater	Tyrer	An Lensen Busch
Edward Hawkins	Dodge City KS	Pepsi Cola
Fred H Smith	Dodge City KS	Pepsi Cola
Mike Peck	Lenexa, KS	Slurpee Beverage
WARREN TRAYLOR	OSAGE CITY	Mitsuba Bros. Inc
Neal Whitaker	Topeka	K (S) W A
Cary Muratto	Orange City	Muratto Bros, Inc.
Dennis Searlett	LENEXA, KS	MID-AMERICA COKE
Greg Spryer	Topeka KS	Topeka Coca-Cola
William [unclear]	Topeka, KS	Eves-Steinbock, Inc.
Ken Willett	1830 W. 36th	Coca Cola Co
Jeff Chandler	Topeka	Topeka Coca Cola
Darry Woodruff	Topeka	Topeka Coca Cola
Phil Sheed	TOPEKA	Mikes W.S. IGA
Wayne Bennett	Topeka	Bennett Liquor Store
Ellen Domanauer	"	Topeka [unclear]
Pat Schurz	KCIC	Superior Sales
Dob Strathman	5 FRONT	SEVEN WHOLESALE

Date 2-29-81

GUESTS

HOUSE ENERGY AND NATURAL RESOURCES COMMITTEE

NAME	ADDRESS	ORGANIZATION
Dick Edington	1401 NE Winfield	Edington Dist Inc.
George T. Marshall	1900 strongman	Ks Coca Cola
Art. Sp. John	4754 W 17th Terr	Pepsi Cola
Mary Alquist	8218 Parallel K.C.K	Alquist Retail Program
John Thillians	316 Shawnee	Leavenworth
Chiquita Cornblum	5895 S.W. 22nd ^{Topoka 66614} Terr #1	Ks BIRP
Albert D. Lollar	P.O. Box 4051	Ks Retail Liquor Dealer
Selen Stephens	PV	LWV 50
Ken Kennison	2900 S Hydraulic ⁶⁷²¹⁶ Wichita	7-up Wichita
Jerry Collins	PO Box 741	Independence Bottling Co Independence, Ks
Reggie Lake	9000 Marshall Lawrence, Ks 66201	Coca-Cola
Eloise Anderson	" " "	" "
Francis Kastyn	Topoka	Ks Food Dealers
James J. Shuker	Shawnee Mission	" " "
DUD GRANT	TOPEKA	KCC
John Maglow	"	Pepsi Cola
Donald & Bidwell	Topoka	Seven Up Bottling Co.
Marilyn Maurie	Topoka	Seven-Up Bottling Co
John T. Williams	Leavenworth,	Retail Liquor Dealer
Whitney Z. Baman	Topoka	KNRC
Dana Achten	Topoka	E-Z Shop
Sally Jones	Topoka	E-Z Shop, Inc.
Rich Arnold	Topoka	Circle U.S.A.



Statement Respectfully Submitted Before the Committee on Energy and Natural Resources, Kansas House of Representatives, in Opposition to House Bill 2863.

Mr. Chairman and Members of the Committee:

I am Chiquita Cornelius, Executive Director of the Kansas Beverage Industry Recycling Program, (Kansas BIRP).

In 1981, I stood before this committee representing one Kansas Beer Distributor stating what we had done and what our future plans and goals were for our voluntary recycling program. I am privileged to stand before you today representing 200 individual Kansas businesses dedicated, not only to reducing litter along our highways, but also to saving our natural resources, saving precious energy and doing our part to impact the solid waste problem we are all facing.

In 1981, when Committee hearings were concluded, industry representatives did not go home and forget about the problems and concerns that House Bill 2863 is proposing to solve. We went home and went to work--not under a threat of a bill we were in opposition to, not under an imposed mandate from the Legislature to find a solution. Recognizing there were some problems that needed to be addressed, we focused on what we could do, not what we could not do.

We were confident we could find a solution which could be a successful, comprehensive, cost-effective program that would not unduly penalize industry, but more importantly, not penalize the citizens of Kansas.

After months of research, we felt the Beverage Industry Recycling Program concept was the most feasible, realistic program we could endorse. We felt, with this program, we could progressively address litter problems, encourage free enterprise, and offer an economic benefit to the citizens of Kansas.

In May 1983, Kansas BIRP, a non-profit organization funded by individual membership dues from private enterprise, opened an office in Topeka. The organization's goals were to create a statewide network of voluntary multi-material recycling centers and to develop an extensive educational public awareness campaign.

What has Kansas BIRP accomplished in ten short months and do we still feel as optimistic as we did when we adopted the concept? The answer is a resounding, yes!!

I don't think there is anyone in this room that will not recognize the success of the voluntary aluminum can recycling program, so, with that as our base, we started exploring markets for other materials. Glass bottle recycling appeared to be the most feasible plus an area of real concern because of the hazards of broken glass. In addition, the industry needs to reclaim the material to reduce their energy consumption, reduce air pollution and conserve our natural resources.

In our first month of operation, we had identified three markets in three different states, (Oklahoma, Illinois and Colorado). We also identified equipment which could be used in our recycling centers at a reasonable cost.

Next, we had to address the transportation of the materials to available markets. This has been, and still is, one of the major problems we have to address to recycle any material in Kansas due to the distance we must transport the materials. This is an area where I feel our members have been very successful and surpassed all our expectations. Business owners and representatives who compete every day to sell their products joined together to identify the resources each company has and set up a coordinated effort to minimize the transportation problem.

Results: We opened our first BIRP Recycling Center October 28, 1983. Today, we have five centers open (Topeka, Lawrence, Emporia, Wichita, Hays) with two more opening in Great Bend this Friday and one in Garden City Saturday. Liberal

and Colby also will be ready to open by the end of March. We are servicing 25 other smaller communities with mobile pick ups. In 11 months, we have 10 permanent centers recycling all aluminum cans and all food and beverage glass containers. Please note I said all food and beverage glass containers. We are going beyond the responsibility of recycling containers our products are packaged in. We are taking the mayonnaise jar, catsup bottle, pickle jar out of the solid waste stream, all beverage glass containers. We are taking the whiskey bottles, wine bottles out of the ditches and out of the solid waste stream.

It has been said our program is not enough and will not be a sufficient solution to the litter problem. I have to seriously question that assumption. When I testified before the Committee in 1981, I represented a distributor who had decided to initiate the first glass recycling in the state of Kansas. I would be less than honest with you if I did not admit that there were a lot of questions on how successful the program would be. Would the markets continue to be there? Would the costs of the program far exceed the income? Would the public respond and participate?

Two and one-half years later, I can tell you the markets are still there plus new ones. Costs to get into glass recycling have been reduced substantially while the value of the returned material has risen and, yes, the public will respond even though the financial incentive is not as great as with the aluminum can. Two and one-half years later, that one center has reclaimed 2,314,824 pounds of glass--a 68% return of the volume they put in the market. Will that percent increase? Certainly. Ten years into their aluminum recycling, they were reclaiming 65% of the cans they put in the market place. They are now recycling 119%. Why? A more ambitious educational public awareness campaign, an effort to make recycling more convenient to the public and by expanding to a multi-material recycling center. They also expanded to steel beverage can recycling in June 1982. And, while they were successfully reclaiming all those bottles and

cans, the public benefited to the tune of an average of a quarter of a million dollars annually. New money going into the economy--into, not out of the pockets of individuals, youth groups, civic organizations and organizations for the handicapped. They were successful for all the same reasons Kansas BIRP can, and will be successful if the program is left in existence.

Our public awareness campaign is in place. Thousands of dollars have been invested in educational TV and radio announcements promoting the value of recycling.

We have, and are now involved in supporting and participating in other anti-littering campaigns. Efforts aimed at all litter--not 20% of the litter problem. We have met with leaders of large corporations giving input into policies they are adopting to make our efforts more feasible and successful. We are constantly monitoring other programs and markets for materials we can recycle in addition to aluminum cans and bottles--i.e., plastic, paper, oil.

What is the future of Kansas BIRP? I can tell you what our goals are. Ten centers are not nearly enough--15 centers are not enough. We must have enough centers to make it convenient for the vast majority of all citizens to participate in voluntary recycling. We will be up-dating and disseminating to our recycling centers the latest information on newly designed equipment that will increase participation by the public in our program such as reverse vending machines.

We will continue to expand our educational public awareness program. I sincerely believe, given the dedication and "can do" attitudes of the members I represent here today, we can accomplish a significant reduction in all litter, not just cans and bottles. We can reduce the volume of material going into our solid waste stream and impact the "throw away" attitude of our society.

But, back to my question--what is the future of Kansas BIRP? Quite frankly, its immediate future rests in your hands. If House Bill 2863 is passed, Kansas BIRP will cease to exist. This statement is not meant to be threatening or propaganda. It is simply a financial reality. The business leaders who currently

voluntarily fund our organization would be forced to put their funds into their businesses to off-set the increased costs incurred by the passage of this bill.

1) You have a program in place that has devised a cost effective feasible glass bottle recycling program.

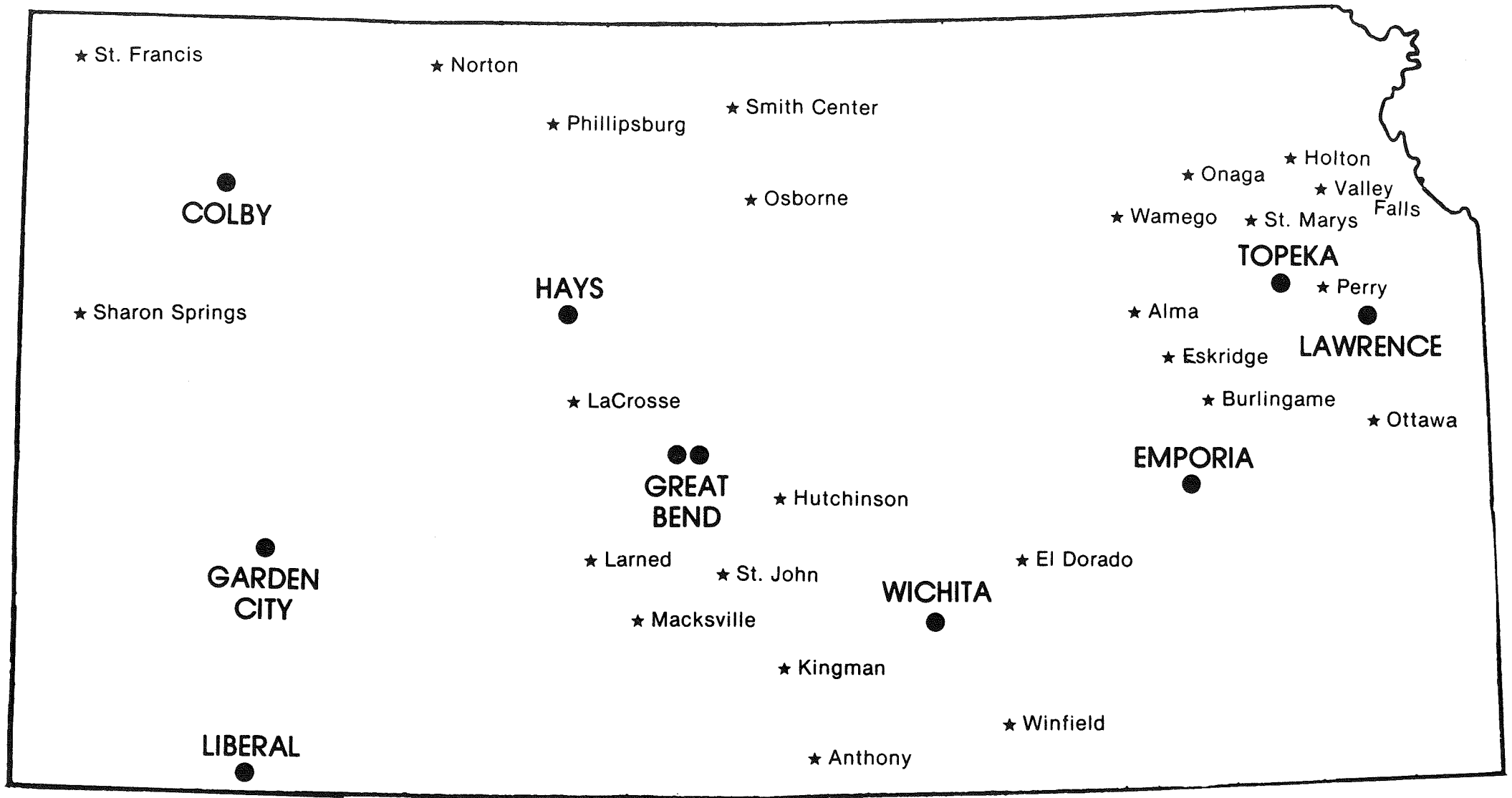
2) You have in place a public relations program including radio and TV announcements to further educate and encourage the public on the value of recycling.

3) You have in place an organized effort to accumulate and disseminate information on how to set up recycling centers.

4) You have in place an organization dedicated to reducing all litter and promoting recycling of as many materials as is cost effective.

5) You have in place an organization that will financially benefit the citizens of Kansas by paying them to become involved in voluntary recycling.

I sincerely urge you, as members of this committee, to not negate the progress and momentum Kansas BIRP has established in finding a viable solution to a broader concern than some bottles and cans. I would encourage you to research, as industry leaders have, what resources government has that could complement and accelerate the success of the Kansas Beverage Industry Recycling Program.



● **10 BIRP Recycling Centers . . .**

★ **25 Mobile Recycling Pick-Up Locations**



More centers and mobile recycling pick-up locations coming

STATEMENT OF JIM MOSS, TECHNICAL DIRECTOR, LIBERTY GLASS COMPANY
TO THE ENERGY AND NATURAL RESOURCES COMMITTEE OF THE KANSAS
HOUSE OF REPRESENTATIVES.

Mr. Chairman and Members of the Committee, my name is Jim Moss and I am an employee of Liberty Glass Company in Sapulpa, Oklahoma. Liberty manufactures soft drink containers and my position with that company is Technical Director. Liberty is one of six glass container manufacturing plants in the State of Oklahoma, your neighbor to the South. We know from experience in other states that a Deposit Law will cause a loss of jobs or a plant closing. Approximately 2,700 men and women are employed in these six plants and up to 1/3 of them could be put out of work by a Deposit Law.

For many years now, our product, the glass container, has fulfilled a consumer need by preserving the freshness and taste of the food or beverage it contains. Unfortunately, there are members of our society who carelessly and irresponsibly discard our product. This is a fact of life: there are people who litter, and not just beverage containers. As I drove through the Oklahoma and Kansas countryside, I couldn't help but notice the variety of litter along the roadside: not just bottles and cans, but newspapers, paper cups, plastic and foil food wrappers, diapers that have served their purpose. You name it, someone at some time has discarded it improperly so it wound up as litter.

As I read it, the goal of House Bill 2863 is expressed in the initial lines of the Bill: "An act concerning litter control, requiring certain beverage containers to be redeemable." To the extent

that glass containers are carelessly discarded, Liberty Glass Company and other manufacturers of glass containers are as concerned with litter control as the sponsors and supporters of this Bill. However, we believe that the means of achieving the goal of litter control should be as cost effective and efficient as possible. Herein lies our opposition to H.B. 2863.

We believe the most cost effective and efficient means of controlling litter is Voluntary Recycling. This Free-Enterprise approach preserves the existing packaging mix and reduces litter. Glass is easily recycled. Used glass, called "Cullet" is simply remelted and formed into new containers. There is a demand for Cullet, because it helps a glass manufacturer to save energy, prolong the life of glass melting furnaces, reduce raw material consumption, and reduce air pollution. In 1983, Liberty Glass Company alone purchased 9,176,000 pounds of Cullet, for which the Company paid \$221,246.00. Liberty works closely with an affiliated trucking company, Red Ball, Inc., to arrange back-hauls of Cullet to reduce transportation costs. Our commitment to recycling is further evidenced by the 23 Glass Crushers which we have sold on an interest-free payment basis to Recyclers, several of them in Kansas. One of these Crushers was donated to a Sheltered Workshop for the Handicapped in Great Bend. These devices crush glass containers into small pieces so they can be stored and shipped efficiently. We expect to continue to sell more glass crushers in Oklahoma and Kansas, so 1984 will be a bigger recycling year for Liberty than 1983. Of course, a lot of the glass Liberty recycles comes from BIRP centers. In just 14 months of operation, Oklahoma

BIRP has recycled 3.7 million pounds of aluminum, 4.5 million pounds of glass, and 1.3 million pounds of newspapers, for which consumers were paid \$1,027,481.80. There is no reason to doubt that the success of the Kansas BIRP program will equal or exceed that of the Oklahoma program.

Now, let us examine House Bill 2863, what it may achieve, and at what cost.

It addresses only one component of litter: beverage containers. This component of litter varies by location and survey; a good average would be 20%. If all container litter were removed, 80% of total litter would remain. Not even the most zealous supporters of Deposit Legislation claim complete removal of containers would result if the law were passed. A good average for such claims would be 2/3. Thus, House Bill 2863 addresses only 13.2% (2/3 of 20%) of its stated goal: Litter Control.

If the bill is enacted, it will increase costs to the consumer. The cost of extra handling of returned containers is inevitably passed on to the consumer. This is a hidden tax imposed upon the consumer. In Iowa, the Department of Environmental Quality determined in a 1981 survey that the Iowa Deposit Law had added 20 Cents to the cost of a six-pack of soda or beer, not including the 5-Cent Deposit on each container. The Bottle Bill cost Iowa consumers \$20 Million during the first year, and that is a conservative estimate.

A competitive, free-market environment is the best means of ensuring that American industry delivers a product that the consumer wants at a price that he or she is willing to pay. Voluntary

recycling should thrive in the same type of environment. The continued growth and success of recycling will achieve our common goal: LITTER CONTROL.

Respectfully submitted on
this 29th day of February,
1984.

LIBERTY GLASS COMPANY

Jim Moss, Technical Director

RECAP

R E C Y C L I N G N E W S

Published quarterly by the Oklahoma Beverage Industry Recycling Program, 317 E. Lee, Sapulpa, OK 74066. Phone (918) 227-1412. Gail Smith, Executive Director

Remarkable Recyclers Reap Rewards

If we could pin a medal on you, we would! You're a hero.

You and your fellow Oklahomans captured more than 7.5 million pounds of potential litter and processed it through the Oklahoma BIRP recycling network this past year.

Although the BIRP centers have already rewarded you with more than \$750,000 in payment for your efforts, we'd still like to pin a medal on you.

Why? Because your work has had a visible effect on a serious problem. Because you care enough about the health and safety hazards posed by litter to volunteer to do something about it. Because you are proud of our beautiful state.

You are the hero behind Oklahoma BIRP's phenomenal first year of recycling operations. When our first five centers opened on November 15, 1982, many people told us that you wouldn't respond to our plans. They claimed it would take a law to get you to do what you have done so well voluntarily.

Along with hundreds of tons of other materials, you brought in 77 million beverage bottles and cans. That's about a case for every person in the state. That's also a surprisingly strong start.

While almost \$265,000 of your tax money was being used by the state to pick up beverage litter on the highways, you were pocketing \$759,000 at BIRP centers for your recyclable products. You were smart enough to earn the half-million dollar difference.



"Safe Keeping of Valuable Recyclables"

We have some good news for you, friend. We're expecting to pay you nearly \$3 million dollars for your recyclables during our second 12 months. And we'll even try to make it easier for you to recycle by doubling the number of BIRP center locations in 1984.

Your tax-deductible membership contributions are helping us produce materials for your family to learn about the harmful effects of litter and what can, and should, be done to minimize the problem.

You have built the Oklahoma BIRP anti-litter effort into what people across the

state have hailed as "the most potent coalition ever to tackle the problem."

You have pushed our state into a position of national respect for our collective voluntary recycling accomplishments. At least four other states are looking to Oklahoma BIRP for guidance on setting up a similar program.

You have worked hard and there is hard work yet to do.

We can't present you with a medal, not yet anyway. But we do encourage you to tip your hat and take a smiling bow.

That's the very least a hero deserves.

Exclusive for RECAP

Trade Group Supports BIRP Networks

The Glass Packaging Institute (GPI) is a strong supporter of beverage industry recycling programs because they stimulate multi-product voluntary recycling, according to William Sadd, president of the trade association for glass container manufacturers.

In addition to Oklahoma, GPI is a major participant in BIRP programs underway in Kansas, Kentucky, Maryland and West Virginia. Additional statewide BIRP programs are being planned in Ohio, New Hampshire, California and Wyoming.

Sadd explained that glass recycling is continuing to rise and, based on the high priority his member companies are placing on recycling, continued growth in 1984 is assured.

"We have always realized that glass recycling reduces litter and solid waste, saves energy and conserves resources, but we clearly see that when this activity is harnessed to a BIRP program, voluntary recycling gains the visibility and support to reach and benefit a great variety of publics," Sadd noted.

"BIRP programs answer the environmental concerns raised by mandatory deposit law proponents and provide a vigorous, environmentally sound alternative."

Sadd praised the instrumental leadership of Liberty Glass Company in Sapulpa and the beverage industry coalition for helping to launch Oklahoma BIRP. "There is no question that the success of the Oklahoma program is helping to expand BIRP programs in other states."



Glass recycling is increasing around the country.

THE DAILY LEDGER

Broken Arrow, Oklahoma

Voluntary recycling program working

Other states may have had poor success with voluntary recycling programs, but we'll have to admit that the numbers cited by BIRP — officially known as the Beverage Industry Recycling Program — for Oklahoma seem to indicate that there is hope for private anti-litter programs.

According to Broken Arrow resident Gail Smith, who happens to be the only paid employee of BIRP, aluminum recycling efforts by Sooners reported by the beverage industry accounted for about 60 percent of the cans sold last year, and about 40 percent of the glass marketed.

That's 77 million containers that aren't lying out on the side of the road or thrown away, irretrievably lost to the economy, in some landfill or dump.

And that's \$750,000 into the pockets of conservation-minded Sooners.

It's a good start and, we must confess, it's much better than we ever hoped it could be. The voluntary action is working; if the progress continues, there will be no need for a mandatory bottle deposit law in Oklahoma.

Smith says Broken Arrow will get its own

BIRP recycling center soon. That will be a welcome addition to the services available in this city, and it should make it much easier for local educators to stress environmental concerns.

We agree that education is the principle ingredient which makes or breaks recycling efforts. People must be convinced that litter is harmful before they make significant efforts to clean up the litter problem.

Make no mistake about it, the litter problem is serious, even (or perhaps especially is a better word) in the Broken Arrow/Tulsa area. Our roadsides are cluttered with debris thrown by thoughtless residents.

Not only does it offend the eye — in subtle ways diminish the liveability of a community — but it can pose a real hazard to animals, and it costs money when a city or county, or state road crews have to spend manpower to clean things up.

Sponsors of BIRP and the participants in the recycling effort should be commended for their efforts and encouraged to continue the drive to educate Oklahomans toward a cleaner state.

This editorial is reprinted, with permission, from the November 14th edition of The Daily Ledger in Broken Arrow.

Bar-Hopping For Profit In Oklahoma City

Unlike most of us, 74-year-old A.A. Fischer was glad to see the end of the Thanksgiving holiday weekend. His neighbors in Oklahoma City were probably even more gladdened.

Mr. Fischer's yard was filled with tons of liquor bottles and other glass. No, he hadn't consumed any of the contents of those bottles — he had collected them for recycling and the buy-back centers had been closed for five days.

He's a regular customer at a number of private clubs in Oklahoma City. At 4:30 each morning, his favorite bar-hopping time, he becomes a real hustler for pickups. Whisky bottles, beer bottles, broken bar glasses . . . he picks them up and earns more than \$200 a week in the process.

For about five years, Mr. Fischer has been bending over to pick up recyclables nearly a thousand times a day. "I'm not on that escalator looking up," he tells you. "I'm looking down because *that's* where the valuables are."

When he says valuables, he's not just talking about cans and glass. Ask him about the color television set he found in perfectly good condition, or the expensive watches and other jewelry he has discovered on his recycling rounds.

Although most of the billfolds he finds are empty, he once found \$120 "just sitting on the ground." He gives away boxes of clothes he has collected to groups such as Goodwill Industries and League of the Blind.

His wife's Ford LTD was purchased from his recycling proceeds. When you recycle one or two tons of glass plus a lot of aluminum, cardboard and other things every week, nice cars become affordable.

"Americans are the most wasteful people on the globe," he asserts. "The average American family can throw away more in one week than some families use in an entire year."

Mr. Fischer believes the "terrible litter in Oklahoma" can quickly be diminished as more people learn how easy it is to voluntarily recycle. He has backed his belief with a membership donation to Oklahomans for Resource Preservation, Inc., the nonprofit corporation which designed the Oklahoma BIRP network of recycling centers. "I use my recycling money for a lot of good organizations," he proudly notes.

After suffering the consequences of tire damage from crushed glass on the highway, he derives enjoyment from watching his glass get crushed at the Coca-Cola Recycling Center at 227 N. Quapah. Potential tire damage is one of the reasons he says the police are "tickled to death" to see him collecting glass.

The next time you see a man foraging through boxes behind a bar or restaurant, think twice before attaching any debasing labels on him. He might be an ex-wholesaler, advertising collections agent, banker and insurance agent named A.A. Fischer. And he just might be wealthier and smarter than you.

A Television Prescription For Litter

The doctor earnestly looks you right in the eye and tells you an epidemic is sweeping across the state.

Children usually contract the disease from their parents, he tells you, his face uncomfortably close.

The disease is littering, you're informed. Fortunately, he adds, there is a cure — voluntary recycling.

So goes the opening of the new public service announcement now airing on television stations across the state. Produced by Oklahomans for Resource Preservation, Inc., at Tulsa Studios, the 30-second anti-litter spot packs a dramatic punch.

The message is intended to help Oklahomans identify with the seriousness of the litter problem and recognize voluntary recycling as an answer. There is no music or visual cuts to dilute the impact; the camera slowly closes in on the face of the actor/doctor, creating a sensitive intimacy.

The creative concept and script for the public service announcement was provided by Wade, Lilley & Associates, a Tulsa advertising agency.



The new BIRP public service announcement being filmed at Tulsa Studios under the direction of Jess Wade, center.

BOARD MEMBER PROFILE
Delling Notes BIRP Impact



Grady Delling

"I am convinced that Oklahoma BIRP is strongly influencing voluntary recycling in Oklahoma. This is a positive movement which is soundly backed by retail grocers in the state. As an organization, we're committed to Oklahoma BIRP as an effective method of litter control," says Grady Delling, BIRP board member.

Mr. Delling, president of Glenwood Markets, Inc., Country Boy Stores and Delling Enterprises, is immediate past president of the Oklahoma Retail Grocers Association. Also past president of the Oklahoma City Grocers Association, he received his education in Edmond. He currently serves as a director of the First National Bank of Midwest City.

He and his wife, Helen, make their home in Midwest City. They have two married daughters.

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- Alan L. Will**
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\$\$\$\$ Recyclable Treasures

As he rounded the corner toward home after a long afternoon of collecting cans and bottles with his wife and two young grandchildren, George Galusha caught sight of an odd-looking can in the ditch.

"Don't know if that's any good," he commented to his wife, "but I guess I'll stop and pick it up." That was early in October. Nearly three weeks later, he again found the strange can in the glove box where he had tossed it.

As he reread the green printed label on the can, he recalled, "this has got to be a joke. This can couldn't be worth \$100, could it?" he thought.

It was! Mr. Galusha was one of the nine treasure hunt winners in the state. He had found the treasure can hidden by the Enid Wastepaper & BIRP Recycling Center.

The BIRP-sponsored treasure hunt for \$100 specially marked cans and bottles was conducted in 11 Oklahoma cities during the month of October. Six of the participating recycling centers had at least one winner.

Gail Smith, executive director of Oklahoma BIRP, reported that the contest had a "strong impact on recycling volume at most of the centers, despite the monsoon-like weather across the state during the last half of October.

"The response to the treasure hunt was prompted us to consider another similar contest in the spring," Mrs. Smith remarked.

That would be good news to Mr. Galusha. He and his two grandchildren, ages 2½ and 4, have been regular recyclers for about a year. From their combined recycling earnings, the children have been able to purchase many toys, including a three-wheeler and a bicycle, and have outfitted their bedroom with new bedspreads and curtains.

Those grandchildren were the inspiration Mr. Galusha needed that day to make one last stop to pick up the "odd-looking" green can. That special can was the catalyst for a savings account toward the children's education.



Elda Strong, Tulsa



Dale Gregory, recycling center manager, and George Galusha, treasure hunt winner from Enid.



Holly Osban eyes the weight of her recycling "treasures" at the Coca-Cola Recycling Center in Oklahoma City. The Treasure Hunt in October had a favorable impact on BIRP center volumes, indicated by that month's record-setting customer payout of more than \$123,000.

Delight 9 Discoverers \$\$\$\$

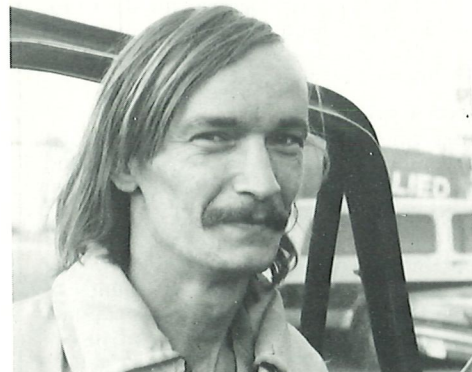
There's a story to tell about each treasure hunt winner. The first person to turn in a treasure container was 62-year-old Rose Marie Sampson who was recycling with her 80-year-old mother. She found the \$100 can hidden by George Jeffries, owner of 101 Beverage Company in Ponca City. (We couldn't reach Mrs. Sampson for further comment. She and her mother usually are out picking up recyclables each day, from daylight to dusk.)

Few of us will ever feel "lucky" about running out of gas, but Tulsan Monte Holloway is an exception. He found one of the treasure cans along the I-244 embankment while searching for something to use as a gasoline funnel.

"I almost discarded the can for something better," he said, "when I noticed the printed label explaining the contest." He tossed the can in his truck with some skepticism about the \$100 prize and continued his search for a funnel.



Paul Price, Sallisaw



Monty Holloway, Tulsa

"The next day I called my brother, who does a lot of recycling," he explained. "When he said, yes, it was for real, I had to scramble around to collect enough bottles and cans to claim my \$100."

His scrambling produced 151 pounds of glass and eight pounds of aluminum for the Can-Pak Recycling Circus, where he received his prize money and payment for his recyclables.

Mr. Holloway and his work associates want to know when the next treasure hunt starts — they will be ready to hunt.

Other treasure hunt winners and their sponsoring recycling centers are: Elda Strong, Can-Pak Recycling Circus, Tulsa; Paul Raymond Price and Willie Jo Simpson, Wise Recycle Center in Sallisaw; Frankie Ellis, Enid BIRP Recycling Center; Gale V. Hinkle, Coca-Cola Recycling Center in Oklahoma City; and Cecil Stanley Rice, Can-Pak Recycling Center, Coweta.

Although these were the \$100 prize winners in the treasure hunt, actually every Oklahoman benefited from the recyclers' efforts.



Willie Jo Simpson, Sallisaw



Dale Gregory, recycling center manager, and Frankie Ellis, treasure hunt winner from Enid.

Kids 'n Cans Help Statue Facelift



Swinney Elementary School students in Lawton are recycling aluminum cans to raise funds for the restoration of the Statue of Liberty.

"Twenty years from now, when our children visit New York City and see the Statue of Liberty, they'll be able to tell their children 'I helped to restore her'."

So says Sharlie Rigby about the aluminum can recycling effort by Swinney Elementary School students in Lawton to raise funds for the restoration of "Lady Liberty." Mrs. Rigby is president of the Swinney PTA and one of the originators of the school project.

She says the project is good because it involves the 275 students in a cause of national interest. "The original Statue of Liberty was built through donations, so it's only right that the \$23 million restoration be handled with donations."

Twice a month, a collection bin outside the school is emptied for transportation to the Coors Recycling Center, one of the original members of the BIRP network. The students are able to monitor the financial progress of their work on a chart posted in a school hallway.

At last report, Mrs. Rigby said the project was coming along very well. She anticipates writing a check for several hundred dollars by the end of the recycling drive this April.

It's not too late for additional Oklahoma schools to start their own efforts. When the statue celebrates its 100th birthday in 1986, part of her gleaming new skin will be attributed to the voluntary recycling job done by school children in Oklahoma.

● COLLECTORS' ITEMS ●

Roscher Gets Top Post

Congratulations to Elden Roscher, executive director of the Oklahoma Retail Grocers Association and BIRP board member. Mr. Roscher was recently elected president of the Food Industry Association Executives, an organization composed of directors of state and local food trade associations in the United States and Canada.

On The Road Again

Taking our recycling message to civic groups and other organizations across Oklahoma has kept Gail Smith, executive director, on the move. Since mid-September, she's made presentations to Brockway Glass in Muskogee, Watonga Kiwanis Club, a graduate business class at Oral Roberts University, Cushing Lions Club, ESA Women's Club in Henryetta, Wewoka Lions Club, Danny's Day TV talk show in Oklahoma City, Henryetta Rotary Club, Muskogee Kiwanis Club, Shawnee Kiwanis Club, the Idabel Jaycees, the Broken Arrow Civitans, Downtown Optimist Club in Tulsa, the Bristow Lions Club and the Muskogee Lions Club.

Woodward Cleans Up

Northwest Recycling, Woodward's BIRP center, participated in Pride in Woodward Week, October 31 through November 5, by holding a "mini-version" of the BIRP Treasure Hunt. Specially marked cans and bottles worth cash prizes during the clean-up campaign were found by three lucky litter-lookers. The \$50 can was picked up by Ken Cross of Stillwater, and Greg Gentry of Woodward claimed \$30 for his treasure can. Carol Adams of Sharon, Okla., found the \$50 bottle, and Pat Coombs of Woodward retrieved another treasure bottle worth \$30. BIRP congratulates the winners and commends Northwest Recycling for cooperating with the Woodward Chamber of Commerce in another successful community effort.

Kansas BIRP Opens Four

Kansas BIRP Executive Director Chiquita Cornelius reports that they now have four BIRP recycling centers open in the state. They are located in Topeka, Wichita, Lawrence and Hays. You're off to a good start, Kansas BIRP.

Combined Efforts

Ponca City's BIRP center, formerly owned and operated solely by the 101 Beverage Company (Anheuser Busch) there, is now jointly owned by 101 Beverage and the J.K. Boersma Beverage Company (Coors). The recycling facility has moved to its new location at 515 South First and has changed its name to the Ponca City Recycling Center. By combining their recycling activities, the center owners hope to provide a more convenient and effective buy-back facility for the community.

ORGA Elects

At their October convention in Tulsa, the Oklahoma Retail Grocers Association elected officers for the coming year. Tapped for leadership were Perry Brown, president (Lawton); Tom Goodner, vice-president (Duncan); and Richard Dixon, treasurer (Tulsa).



NATIONAL NOTES

Olympic Recycling

Safeway Stores, Inc. has announced a \$60,000 donation to the U.S. Olympic Team. The funds were raised by the national grocery chain through a pledge of one cent for every pound of aluminum recycled at Safeway stores across the country.

Glass Breaks Record

Owens-Illinois (O-I), glass manufacturer, reports that they recycled a record 604.4 million glass bottles and jars during the first half of 1983, some 33 percent more than during the same period in 1982.

Don Glover, vice president of the glass container division says that \$7.5 million was paid by O-I to recyclers across the U.S. for 151,150 tons of used glass. He predicts that O-I will break its 1982 recycling record of 248,700 tons by a significant margin.

Alcoa Accolades

American aluminum can collectors earned \$47 million for returning 4.8 billion used aluminum beverage cans to Alcoa Aluminum for recycling during the first six months of 1983.

Ron Hawkins, president of Alcoa Recycling Company, said the 202 million pounds of aluminum cans recovered by Alcoa's national recycling activity were about equal to the annual production of one average-size aluminum smelting plant. He estimates that over two million Americans recycle cans regularly, with millions more collecting cans part-time.

Oklahomans Respond To Opportunity

by Gail Smith
BIRP Executive Director



Voluntary recycling is alive and well in Oklahoma! The Oklahoma BIRP network of recycling centers is just one segment of the total recycling effort in our state. Collection and processing facilities all over the state continue to encourage recycling in Oklahoma communities and smart Sooners are cashing in!

The Oklahoma BIRP network paid more than three-quarter million dollars to recycling customers in its first year. During those same 12 months, an estimated additional \$5.5 million was earned by bottle and can recyclers through other Oklahoma recycling centers. More and more Oklahomans are learning firsthand that "Recycling Makes Cents."

In a survey I conducted this Fall of over 200 recycling operations in Oklahoma, I learned that nearly two of every three beverage cans and about one of every three beverage bottles sold in the state are being recycled. The one-year-old BIRP network is responsible for 13 percent of the aluminum and 63 percent of the glass that's being recycled.

Clearly, the greatest impact that Oklahoma BIRP has made has been in the significant growth of glass recycling. And, as the BIRP network continues to grow, we can fully expect glass and aluminum recycling to enjoy an associated growth.

It's becoming apparent that Oklahomans are responding to our public education campaign, to the availability of greater numbers of recycling centers and to our efforts to promote the economic and environmental benefits of voluntary recycling.

A poll conducted by Opinion Research in December, indicated that Oklahomans do, in fact, agree that voluntary recycling and public education will provide the most effective long-term solution to Oklahoma's total litter problem. Complete results from the survey will soon be released.

We're encouraged and delighted by your response to our free enterprise solution to the state's litter problem. We'll keep working hard to make voluntary recycling more convenient and profitable for you. And we'll continue reminding you to take responsible action to keep Oklahoma litter-free.

We're asking you to *help yourselves* to a share of the millions of dollars now being earned by recyclers . . . and to *help yourselves* to a cleaner Oklahoma!

Network Expands

Expansion of the BIRP recycling network has received a boost with the addition of two new membership categories. Satellite members are recycling facilities which process both glass and aluminum beverage containers and operate as part of a licensed BIRP center. Our first satellite member is Southwest Sales, Inc. in Altus, a Coors distributorship. The Altus site is a satellite operation of the Lawton BIRP center.

Recycler members of the BIRP network are recycling facilities that process either glass or aluminum beverage containers. Although these members will not be represented on BIRP location maps, their recycling statistics are reported on a monthly basis and become part of the overall picture of voluntary recycling activities in Oklahoma.

To date, the network has welcomed three recycler members: Ada Iron and Metal, Inc., Ball Corporation in Okmulgee and Brockway Glass in Ada.

These new categories were added in an effort to combine recycling figures and paint a more accurate picture of the overall voluntary recycling effort in the state.

Oklahoma's newest licensed BIRP center is Nabors Recycling Center in Hugo. The center is currently moving toward a winter grand opening event. Other locations in various stages of licensing and consideration by Oklahoma BIRP include: Wewoka, Muskogee, McAlester, Guymon, Durant, Pauls Valley, Henryetta, Elk City, Checotah, Miami, Bartlesville, Sapulpa, Broken Arrow, Okmulgee, Duncan, and a center located between Drumright and Cushing.

BEAT LITTER WITH A CLUB

Your school group or civic organization can broaden its effect on the community by joining Oklahomans for Resource Preservation, Inc. The \$50 annual group membership donation is put to use fighting the litter battle on many fronts:

- Materials will continue to be produced to increase general public awareness about litter problems and solutions;
- Educational kits will be provided to children in your community so they may develop an anti-litter attitude;
- Informational meetings will be conducted with your area media chiefs, clubs and community leaders about creative solutions to local litter problems;
- Action-oriented leaders across the state will be kept up-to-date on anti-litter activities and will be urged to lend their influence to the momentum.

If you can't persuade your group to join, then consider an individual membership (only \$20) for yourself! Please fill out the membership form and send it, along with the tax deductible contribution to:

Oklahomans for Resource Preservation, Inc.
317 East Lee Street
Sapulpa, OK 74066

YES, I WANT TO HELP! Please accept my one-year tax deductible membership contribution for which I am enclosing a check. I understand you will send me an official membership certificate, a bumper sticker and place my name on your newsletter mailing list.

Date _____

Name _____

Address _____

City _____

State _____ Zip _____

Organization _____

Please mark appropriate box and enclose your check for the total amount.

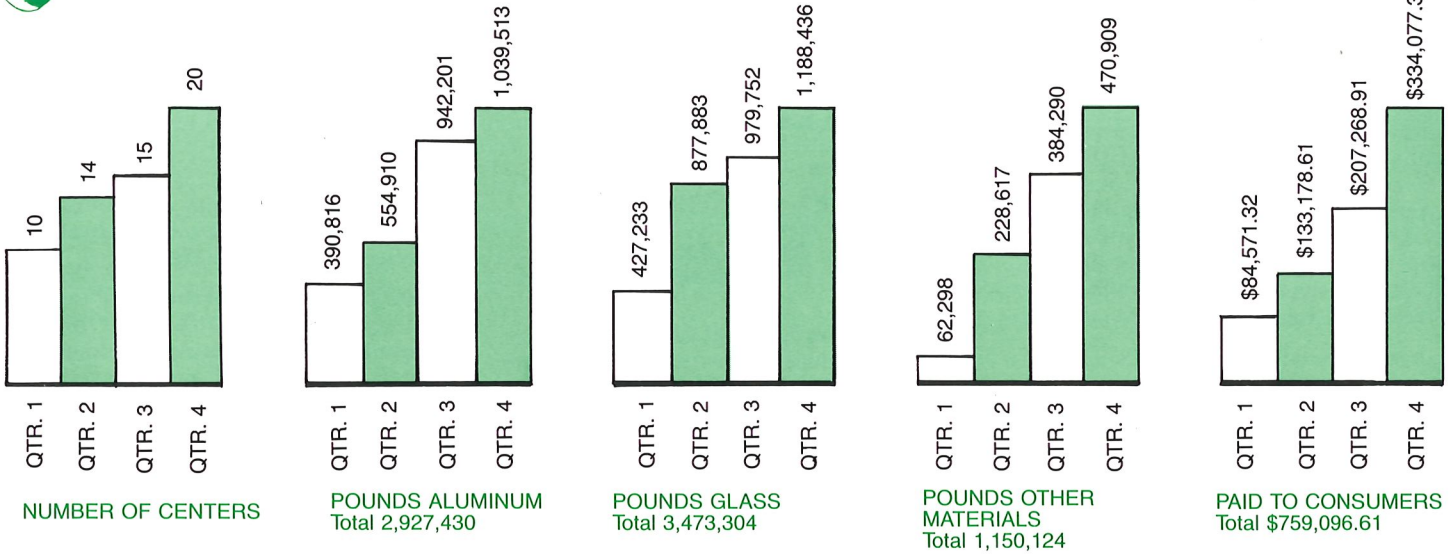
ONE-YEAR MEMBERSHIPS

- \$5 Jr. or Sr. Member (under 16 or over 65)
- Individual Member \$20 (or more if you wish)
- Organization or group \$50 (or more if you wish)
- Check here if you wish to order a BIRP T-shirt. Be sure to enclose an additional \$8 which includes postage and handling. Please indicate Small, Medium or Large.





PROGRAM STATISTICAL UPDATE
 NOV. 1982 THROUGH OCT. 1983



RECYCLING CENTER LOCATIONS

Oklahoma City

Coca-Cola Recycling Center
 227 North Quapah
 (405) 947-3363

Coors Central, Inc.
 317 NE 31st
 (405) 521-1511

Tulsa
 Beverage Products Corp.
 510 West Skelly Drive
 (918) 446-6601

Sooner Suds
 7120 East 13th
 (918) 836-8484

Can-Pak Recycling Circus
 6th at Utica
 (918) 583-8169

Cam-Coors Recycling Center
 1223 So. 71st East Ave.
 (918) 836-8121

Stillwater
 Boersma Beverage Co.
 401 East 6th
 (405) 372-4559

Lawton
 Coors Recycling Center
 622 "F" Avenue
 (405) 248-1900

Coweta
 Can-Pak Recycling Center
 East Pecan Street
 (918) 258-6133

Woodward
 Northwest Recycling Center
 Highway 270 North
 (405) 256-9984

Idabel

SonRay Industries, Inc.
 102 West Main
 (405) 286-5356

Enid

Enid Wastepaper & BIRP Center
 1201 West Chestnut
 (405) 237-3323

Ponca City

Ponca City Recycling Center
 515 South First
 (405) 765-4010

Shawnee

The Recycling Station
 103 South Kickapoo
 (405) 275-1185

Sallisaw

Wise Recycle Center
 413 West Quesenbury
 (918) 775-3611

Ada

Ada Coke Recycling Center
 1205 Craddock Road
 (405) 332-0257

Ardmore

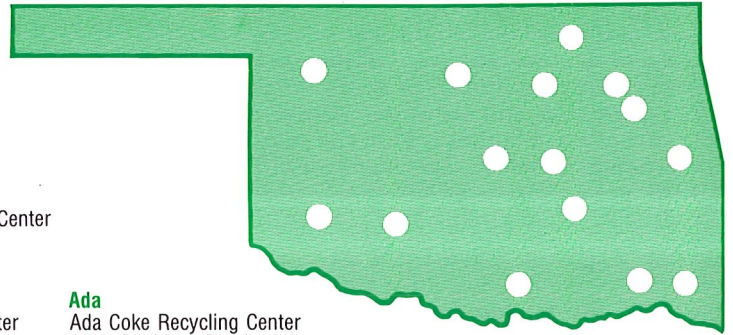
Sunshine Industries
 500 Park, SE
 (405) 226-1444

Altus

Coors Recycling Center
 711 Recycle Drive
 (405) 482-2352

Hugo

Nabors Recycling
 1010 West Jackson
 (405) 924-6930



Oklahomans for Resource Preservation, Inc.
Oklahoma Beverage Industry Recycling Program
 317 E. Lee Street
 Sapulpa, Oklahoma 74066
 918-227-1412

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Kansas Food Dealers' Association, Inc.

2809 WEST 47th STREET SHAWNEE MISSION, KANSAS 66205

PHONE: (913) 384-3838

February 29, 1984

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HOUSE ENERGY & NATURAL RESOURCES COMMITTEE

OPPOSING HOUSE BILL 2863

EXECUTIVE DIRECTOR
JIM SHEEHAN
SHAWNEE MISSION

Thank you, Mr. Chairman, and members of the Committee. I am Frances Kastner, Director of Governmental Affairs for the Kansas Food Dealers Association. Our membership consists of retailers, distributors and wholesalers of food products throughout Kansas. We have staunchly OPPOSED ALL types of mandatory deposit bills that address only one segment of litter -- that consisting of only beverage containers. HB 2863 covers only beverage containers.

On the other hand, during 1979-80, in a Senate Committee, and again in 1981-82 in a House Committee, bills dealing with a broad based litter control tax were not approved. Legislators indicated they were not interested in adding another tax, or expense, for either consumers or businessmen in Kansas.

Now we have HB 2863 before you, which does just that by adding those expenses, creating more bureaucracy and destroying endeavors by private industry through the Kansas BIRP to recycle and conserve precious resources.

Ever since the Kansas BIRP was created last year, we have encouraged our members to join that organization as a POSITIVE approach towards reducing litter. I will leave with you a copy of the February issue of our monthly magazine, THE KFDD BULLETIN, and direct your attention to Page 7, explaining our involvement.

HB 2863 would be a very expensive proposition for all grocers in Kansas. Just taking up their valuable storage space with the empty containers, greatly increasing their expenses for pest control to meet the sanitary codes, and increasing the amount of cash needed to pay for their inventory of containers far exceeds the handling fee provided in HB 2863.

Attachment 3
2-29-84

The one cent allowed retailers for handling fee, does NOT begin to pay for those extra costs. Statistics provided by the Food Marketing Institute in a detailed study done in 1980 sets the cost for handling EACH returned beverage container at 2.373 cents. Certainly the retailer can NOT absorb that cost. Since this study is nearly four years old, and wages have continued to climb as have costs for fringe benefits, taxes, etc., all included in the cost of doing business, the cost per container could be much higher than 2½ cents.

HB 2863 requires the grocer to have more cash tied up in inventory ---the inventory of empty containers waiting to be repurchased by his distributor. We visited with one of our members who runs a grocery store in Atwood, and he told us he has an inventory of some 10,000 beverage containers in his store at all times. That translates into \$1000 of his operating money tied up in containers.

That same grocer said his distributors for soft drinks and 3.2 beer usually go on to Colorado to deliver products. It would be time consuming to both the grocer and the driver to be certain that properly marked containers are left in Kansas grocery stores and ONLY containers purchased in Kansas are issued a deposit refund.

No new money is generated under HB 2863 as there is when customers take containers to a recycling center. The only money the customer gets is what has already been paid by a customer in the form of a deposit. In some instances, if the glass container gets broken, the customer would not even get back the deposit he paid.

In other instances the grocer would pay out a refund on a container on which there had been no deposit paid. For example, a customer comes into a convenience store, purchases a bottle of soft drink, tells the operator he is going to drink his soda as he fills his gas tank. Under those circumstances, and within the provisions of HB 2863, NO DEPOSIT is required since it is to be consumed ON THE PREMISES. The customer wanders around the area, pays for his gasoline purchase, and then leaves with his soda unfinished and the deposit on the container NOT PAID. Somewhere along the line, someone will be paying a REFUND on that container. If the store owner refuses to let the customer leave his store without paying for the deposit, and wander around drinking his pop, and the next store owner DOES permit it, guess where that customer is going to continue to frequent?

Even if the beverage is served in a paper or plastic container, the bill says NO deposit or refund is required if consumed on the premises. The same scenario just described could repeat itself and the container thrown out the window as the driver continues down the road.

Yes, he could be fined for LITTERING, but he could be fined for littering now. How many cases have you heard or read about involving litter fines?

HB 2863 makes ALL consumers pay for the so-called litter problem whether that person is guilty of littering or not. It makes just as much sense to a person who does NOT litter to tell them that a law will be passed so that every DRIVER will pay an extra one cent a gallon for fuel so that those breaking speeding laws will have a fund available to pay for their violations.

We see HB 2863 as another form of TAXATION -- a hidden one -- that is paid by ALL Kansans who consume beverages. It covers the careless litterer as well as those who are interested in our environment and preserving our resources.

Statistics from states with deposit legislation indicates that the consumers is paying 15% to 20% MORE for their beverages, even when there is NO handling fee allowed. Under HB 2863 the consumer will ultimately pay the 2¢ handling fee through higher prices for the product in those containers.

Over the past few years we have appeared before legislative committees asking for some laws to be tightened, and we have been consistently informed that it is the philosophy of the legislature in Kansas to NOT promulgate MORE laws and regulations, but instead, USE those we have.

That is exactly what we are asking you to do today. Use the littering laws we have on the books, and insist on their enforcement. If you want to increase the fines as outlined on page 5 of HB 2863, or provide the option of doing public service work, we think that is great. We supported similar legislation introduced by Sen. Morris several years ago, but it didn't even get out of committee.

We request that this committee NOT recommend HB 2863 for passage. We want to continue with our POSITIVE approach to resource recovery.

A number of grocers wanted to testify today, expressing their own problems, but in the interest of time, I asked them to not make any comments. I will try to introduce all those that I know of that are in the audience, ask them to stand, and if I miss any ask them to also stand and be identified. Then, if the members of the committee have any question of any of us, we would be happy to answer them.

Thank you, Mr. Chairman, and members of this committee, for listening to our concerns, and I am leaving with the Secretary a copy of this testimony along with the February issue of the KFDA BULLETIN and again direct your attention to page 7.

Frances Kastner, Director
Governmental Affairs, KFDA

3310 SW 7th, # 2
Topeka, Ks. 66606

(913) 232-3310



**Kansas Food Dealers'
Association
BULLETIN**

**FEBRUARY
1984**

THE KANSAS OF YESTERDAY



Grinter House

*Attachment 3
2-29-84*

Kansas Food Dealers Association

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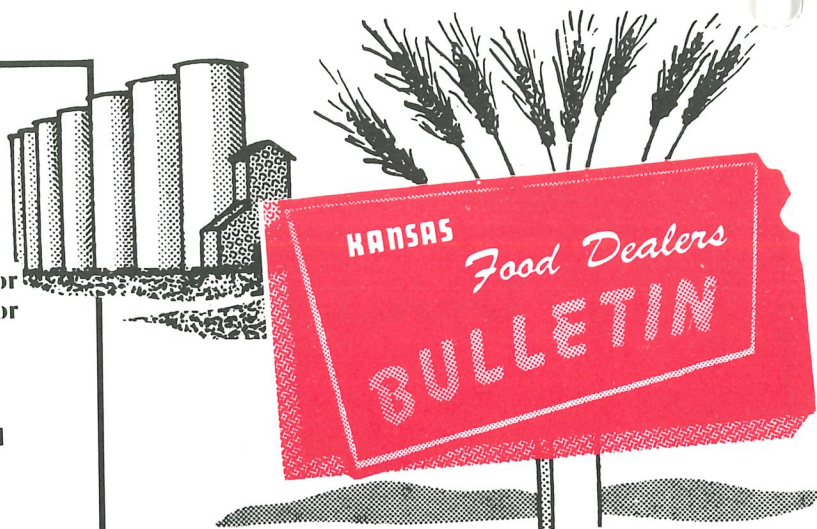
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VOL. XXIV FEBRUARY, 1984 NO. 2

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*In Our rush towards tomorrow...
Let's pause for a*

GLANCE AT YESTERDAY

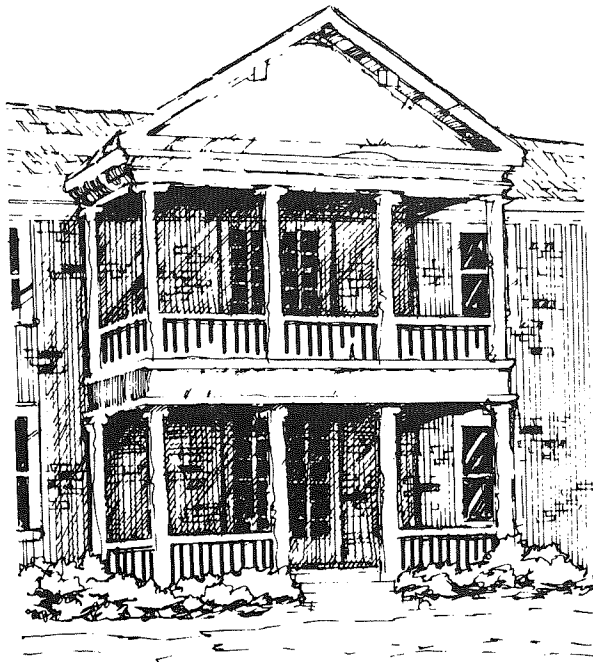
10 Years Ago February 1974

- * The A & P Food Store at 926 W. Sixth Street in Junction City has closed its doors and terminated business. Store personnel will be transferred to other stores, probably in Topeka.
- * Joe Nemer has announced the intention of reopening the Foodtown store at 720 N. Main in El Dorado. Nemer is preparing to lease the building from the Foodtown organization. It will be opened as a Thriftway store.
- * Mr. Lawrence Gittrich has purchased the Maize Food Center in Maize, Kansas from Mr. and Mrs. Keith McElwain. Mr. Gittrich has been in the food business for 28 years, owning the Gittrich Market in Wichita.
- * Plaza West IGA in Wichita has begun operations at Central and West Streets. The new store is double the size of the Discount Foods operation it replaces.
- * Some Kansas Food Dealers Association members report enthusiastic response from their customers after advertising for the public to assist in aiding with the paper shortage by bringing their large carry out shopping bags back to the store.
- * In early December the newest Pence IGA Supermarket opened at 1428 South Main in Ottawa. The new store, a replacement of an older unit two blocks away, brings the total number of stores in the Pence IGA group to seven.
- * Ernie Tindle has purchased Ralph Schneider's one half interest in the Mound City, IGA. The two men have been partners in the store for five years.
- * The Fleming Foods Co. Cash & Carry division of Wichita now occupies a new 14,000 square-foot building featuring 1,200 sq. ft. of self-service frozen food, dairy, meat and produce items.

15 Years Ago February 1969

- * Minimum hourly wages under the new federal Wage-Hour Law are \$1.30 per hour, with overtime at 150% for each covered employee's regular rate of pay over 40 hours per week. Full time students employed under special certificates may not be paid less than \$1.11 per hour.
- * Neil Albee has sold his store in Hiawatha, Kansas to Milton Manke of Lee's Summit, Mo. The new owner has been in the grocery business for 27 years, formerly with United Supers in Kansas City and with Kroger.
- * John N. Jawdicke, president of Dold Packing Inc. has been elected to the Young Presidents' Organization Inc., an international business professional organization of successful chief executives who have become presidents of sizeable companies before the age of 40.
- * Darrell Trent, owner of two grocery stores in Pittsburg and head of Trent Enterprises Inc., is an applicant for administrator of the Federal Aviation Agency.
- * Mr. and Mrs. Vernon Cole of Lancaster have sold their grocery store and locker, which they have operated for 12 years, to Mr. and Mrs. John J. Cameron. Mrs. Cameron has worked at the store for the past 15 years.
- * Baird Brinkmeyer became sole owner of the Self Service Grocery at Humboldt last month, changing the name of the store to Baird's Self Service. He had been manager the past 13 years.
- * A 15-year service pin was presented recently to Jerry Pumphrey, manager of office services for Foodtown Stores. The Pittsburg based firm is a subsidiary of Red Owl Stores. Pumphrey began his career with Foodtown in 1953.

About The Cover Grinter House



The Delaware Indian Reserve, established in northeastern Kansas by treaty in 1829, had just been occupied when young Moses Grinter, a native of Kentucky, arrived in present Wyandotte county to establish the first ferry across the Kansas river. By December, 1830, nearly all the Delaware nation had immigrated from the east and a thriving settlement began to develop.

In January, 1831, Grinter began the operation of his ferry. It was an ingenious affair which used a rope windlass to alter the angle of the hull to the current and thus was pushed across the river by water power.

The ferry was known by several names including Grinter's Delaware Crossing and, later, Secondine Crossing in honor of Secondine, son of the chief of the Delawares. During the 1830's and 1840's travelers on foot, horseback, and in wagons crossed for 50 cents per person or \$2 per wagon.

Many immigrants to Oregon and California used the crossing in the 1840's and early 1850's. As traffic increased, Grinter saw a need for postal service and through his efforts the government established post office at the ferry landing in 1850. This was the second nonmilitary post office in what was to be the state of Kansas.

It is not known whether Grinter was a civilian or a soldier at the time he came to Kansas. If a civilian, he may have come with the Indians, hired to operate the ferry so the Delaware could communicate with the Shawnee, who lived across the river. Or he may have been a soldier stationed at Cantonment,

Leavenworth who was detailed to provide military access to the Santa Fe trail south of the river.

In 1836 a military road was authorized to be built from Fort Leavenworth southward along the Missouri line to Fort Gibson, in present Oklahoma, crossing the Kansas at Grinter's ferry. By 1840 the road was completed to the Arkansas river crossing in Oklahoma and during the Mexican war, 1846-1848, it was used as a feeder route to the Santa Fe trail for the transportation of supplies to the army in New Mexico.

The same year Grinter built his ferry he constructed a small log cabin near the landing. In 1836 he married Anna Marshall, daughter of an Indian trader and a Delaware woman, and began raising a family which ultimately numbered 10 children. In 1844, after a flood washed away the ferry landing and cabin, Grinter rebuilt the ferry, built a new cabin, and afterward opened a trading post.

In 1857 Grinter decided to build a larger house, the present two-story red brick structure. Lime from the surrounding hills was used to make mortar. The brick was burned on the ground, using local clay and Kansas river sand, with animal hair incorporated for strength and rigidity.

Grinter House is said to have been modeled after a Kentucky farmhouse built in 1800 by Grinter's uncle. Structural timbers are native walnut. Interior woodwork is walnut and white pine which was hauled from Leavenworth by ox team. The floors are linden wood, which grew nearby. Mill work on columns and cornice moldings was done in St. Louis.

A grist and saw mill was located three fourths of a mile downstream on Mill Creek. The cemetery where Moses and Anna are buried is one fourth mile north of the house.

Grinter is credited with being the first permanent white settler in present Wyandotte county and one of the earliest in present Kansas. A gentle and benevolent man, he lent large sums of money to his Delaware friends and extended credit at his trading post. He continued to operate the ferry until sometime in the 1870's.

Grinter died in 1878. Anna lived on in the house until her death in 1905. Mr. and Mrs. Harry E. Hanson purchased the property in 1950 and for the next 20 years devoted themselves to preserving and restoring it. In 1971 the house was listed on the National Register of Historic Places.

Through the efforts of the Junior League of Kansas City, Kansas, an organization called Friends of Grinter Place was formed to raise funds to purchase the property and donate it to the state. In 1968 the state legislature authorized its acceptance and in 1971 Grinter House came under the administration of the Kansas State Historical Society.

A Look At The New KFDA Officers

Each new year brings a change in the officers of our association and we feel it appropriate to better acquaint you with those persons occupying new positions.



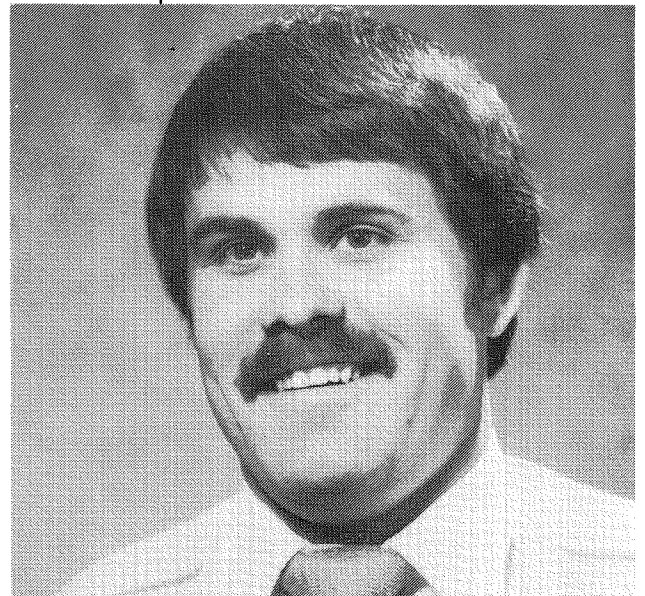
Mr. Joe White of Coldwater, Kansas moved into the office of President of the KFDA as of this year. Joe traces his interest in the food business back to his high school days in Dodge City, where he worked part time in a chain store. He continued working in a food store while attending the Dodge City Junior College in 1948-49, and Denver University, where he graduated with a B.S. degree in business in 1951.

Following graduation Joe went to work for the Cimmaron Insurance Company in Cimmaron, Kansas. His interest in the food business persisted, however, and in 1953 he bought his first store in Coldwater, Kansas. According to Joe he starved for five years and then slowly pulled the store up to a position of profit. By 1962 the store was paid for and he bought a second store, this one in Cimmaron. It proved so successful that he purchased a third. All of Joe's stores are IGA affiliations supplied by Fleming of Wichita.

Joe expresses his philosophy of success by saying, "I have felt that the way to have a successful operation is to develop the kind of store the people in the area want. We develop a pleasant relationship with customers and employees — keep a store full of merchandise — advertise money saving specials — and just build volume a dollar at a time over the years". This, we submit, is a pretty good philosophy.



Chuck Mallory, new Vice President of KFDA traces his experience in the food industry back to 1960, when he became associated with the Fleming Company for a two year period which was spent in the non foods division. In 1960 he joined the Harry's IGA organization. Harry's at that time consisted of three stores and Chuck entered the organization in a training position. During the next 21 years the company had as many as seven stores in and around Topeka, and Chuck occupied almost every position available as he grew with the company. He is presently President of Harry's IGA Inc. and also most active in civic, educational, and food industry affairs in Topeka and the State of Kansas.



Michael W. Donelan of Colby, Kansas is a new member of the Board of Directors of KFDA. Mike was born into a grocery family and, as he puts it "I have always worked in the grocery business". Mike is co-owner of the Colby Super Market of Colby, Kansas, a member of the Colby Lions Club, and the Colby Chamber of Commerce.

Mike and his wife, Peggy, have four children to the delight of grandparents John and Helen Donelan. John is a veteran KFDA board member recently retired. When not in the store Mike relaxes with golf, hunting and fishing.



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Kansas BIRP Program Needs Full Retailer Support

All food retailers are aware that the food industry has continually battled against legislative attempts to enact mandatory deposits on all beverage containers. While the issue has not sustained momentum during the past few years, the lack of momentum is only temporary. The issue is still with us and needs to be addressed.

To do this and to successfully avoid a mandatory deposit law, the Beverage Industry Recycling Program, known as BIRP, was formed in the state of Kansas during 1983.

Simply stated, BIRP is an organization of food dealers, beer distributors, soft drink bottlers, and others who are joined together to establish a state wide network of recycling centers under the BIRP name to recycle beverage containers. Chiquita Cornelius, a veteran in the recycling field, is the executive director of the organization with offices at 5895 West 29th Street, Topeka, Kansas 66614.



As a food retailer, you can become a member of BIRP by simply paying annual dues to BIRP. Dues are used to engage in a state wide public relations campaign, establish and maintain certified recycling centers, develop new markets for recyclable beverage containers and other supportive services designed to establish and maintain a viable alternative to mandatory deposit legislation through voluntary recycling.

Yes it costs to belong to BIRP. But the cost is quite low when compared to the cost to a retailer of mandatory deposits. By merely increasing your labor force by just one (1) hour per week, (it will require much more than that to handle the increased work load) at minimum wage, plus fringes, plus the need for additional storage space, the moderate dues to BIRP become insignificant.

BIRP at present has four recycling centers located in Topeka, Lawrence, Wichita, and Hays. Efforts are underway to establish centers in Great Bend, Hutchinson, Garden City, Dodge City, Colby, Emporia, and Coffeyville.

BIRP is by far the best alternative and deserves the support of all retailers NOW. Call Chiquita Cornelius at 913-273-6808 or write to the address above and become a BIRP supporter today.



State Rep. Mike Hayden, R-Atwood, feeds a can crushing machine at Lapeka Inc.'s aluminum and glass recycling center at 2711 Oregon. The firm has become the third member of a statewide network, Kansas Beverage Industry Recycling Program Inc.



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Fleming Companies, Inc.
P.O. Box 298
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913/233-4700

Ken Wilkerson
Fleming Companies, Inc.
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Wichita, KS 67219
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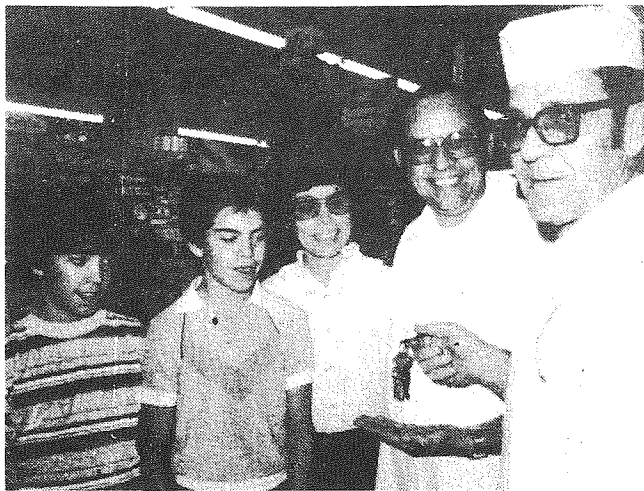
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**Fleming
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PROFIT FROM OUR EXPERIENCE.

Anderson Market Changes Owners

James D. Anderson hands the keys for Anderson Market, Bird City, Kansas, to the new owner, Don Ayre. The Ayre family took possession December 12 and will continue the business, Anderson Market.



Don and his wife Anita moved to Bird City from Holdrege, Nebraska where Don was area manager for Metz Baking Co. He has also been manager of Gibsons at Ogallah, Ne., and of the Gamble store at Colorado Springs.

Pictured to the left are the Ayre sons, Dyrek age 12 and Doug 14. They have two married sisters, Annette and Sheila. Annette and her husband Jeff Collison from Holdrege plan to move to Bird City to assist in the store. Sheila and her husband Mark Smith live in Lincoln, Ne., where Mark is employed in mechanical engineering.

Bird City Times

Food Prices Headed Up

Food prices will go up at a faster rate in 1984, partly due to the ripple effect of this year's drought but also because the U.S. economy will be on the rebound, an Agriculture Department economist predicted.

"While the drought's impact on the yearly increase in food prices is relatively small, most of the increase in prices will come out at one time—in summer and fall of 1984," said Ralph L. Parlett of the department's Economic Research Service.

In 1983, food prices on the average are expected to rise 2.2 percent, the smallest annual increase since 1967. They went up 4 percent in 1982.

Currently, Parlett said in prepared remarks for USDA's annual outlook conference, food prices are expected to rise an additional 4 percent to 7 percent in 1984.

"Expected stronger economic conditions are the reason for most of the increase," Parlett said. "Real disposable income is expected to increase in 1984 by about 3 percent. Although that might sound modest, it is the strongest increase in recent months."

"Consumers might be willing to buy more food," he said, "and could possibly be willing to buy higher-priced foods, particularly meats."

Modern Ms. Needs No Excuse to Propose

On leap year—and this is the year to leap, for February 1984, contains 29 days—custom decreed that unmarried women take the initiative in matrimonial matters. And with Valentine's Day on February 14, there was even more reason for single girls to leap into action.

But times have changed. Today's woman needs no excuse to speak her mind, to take the initiative, to propose to the man she has selected.

For better or worse, that's the way things are. And for those men of macho inclination who miss the masterful times of yesteryear, consider this: you can always refuse her proposal without risk of fine or imprisonment. However, in macho times past, you either accepted the lady or suffered the consequences . . .

In Scotland, for example, a law enacted in 1288 provided the following:

"It is statut and ordaint that during the rein of hir maist blissit Megeste, for ilk yeare knowne as lepe yeare, ilk mayden ladye of bothe highe and lowe estait shall hae liberte to bespeke ye man she likes, albeit he refuses to taik hir to be his lawful wyfe, he shall be mulcted in ye sum ane pundis or less, as his estait may be; except and awis gif he can make it appere that he is betrothit ane ither woman he then shall be free."

Similar laws were passed in France; and a few centuries later, the custom was made law in Genoa and Florence.

Take heart, then, all you modern men and women. One needs no excuse or law to propose or reject. One needs only courage . . .

Impact of 1984 Food Prices

With some experts estimating that 1983's hot and dry weather will result in food price increases next year of 4% to 7%, the food industry may have to intensify efforts to explain the food cycle to customers. Since the first militant group began picketing food stores over meat prices in Denver seventeen years ago, communication between retailers and their customers has been improved so that there is now a better general understanding among the public of why food prices react the way they do.

Current studies show that more customers understand that food distributors are simply the messenger carrying the bad news or the good news about food prices. Killing the messenger or picketing his store won't solve the problem.

The situation in 1984 may be different than in the intervening years. Food prices escalated during the recent periods of severe inflation, but then, so did the prices of almost everything else. In 1984, food prices could be the exception to the rule, since only moderate inflation is predicted in most other parts of the economy. With attention thus focused on our industry specifically, the questions from the press and from consumers are likely to be more frequent.

It is impossible to overlook the fact that 1984 is going to be an election year, with the every fourth-year search for scapegoats and villains. In the past years, candidates for office have appeared in front of supermarkets with baseball bats, promising symbolically to beat down food prices if elected.

The events in 1966 helped awaken the food industry to the fact that we had been losing touch with our customers. The industry's move toward greater self service with all its efficiencies in the years preceding 1966 had resulted in a situation where our customers no longer knew us, nor did we know them. It was a rude awakening, but fortunately, largely through the efforts of our trade associations, the industry did awaken and began to take the consumer into its confidence.

We realized that the customer did not know why food prices change—and had no way of knowing. (We found out that many of our own employees had no idea why this happened as well.)

When customers were taken into our confidence, were given the facts, they usually understood what was happening. But there was no way they could know it, unless someone took the time to explain the food distribution cycle to them.

Food distributors need to focus on this fact of life again, as the new year approaches. We will never have every consumer or every consumer group in our corner. But we trust to the fairness and good judgement of most of them—if we take the time and effort to tell our side of the story.

by Frank Register

Senior Counselor, Food Marketing Institute

Fleming Wichita Announces Staff Promotions

The Fleming Co., Inc., Wichita Division, has announced the appointment of Carol Blackburn as PROP and pricing Manager. Ms. Blackburn was previously employed by a National Food retailing chain as a retail Store Manager.



Also named as Produce Specialist by Fleming in the Wichita Division is Gary Felch. Mr. Felch was also previously employed by a National Food chain in produce management as a produce advisor.



Customer Complaints — How To Handle Them!



Even the best run supermarkets will have legitimate customer complaints. The good store manager welcomes those complaints as an opportunity to improve service and cement customer loyalty. The customer does you a favor when he or she calls your attention to something that is not right, and you should keep this in mind whenever dealing with complaints.

According to the Food Marketing Institute's Supermarket Management Guide, the first step in proper complaint handling is to be open and receptive to all customer questions, suggestions, opinions and complaints. In the world of fast-paced, mass-merchandised retailing, customers are hungry for someone who will be attentive to their needs.

Being open to customers will help keep customers. The person who has a complaint and expresses it is much more likely to remain your customer than one who does not complain—that person just takes his or her business elsewhere. Also, the dissatisfied customer who does not complain at the store will most likely complain to someone—relatives, friends or neighbors. On the average, studies show that a dissatisfied customer will relate the problems to **eleven** other people. Negative word of mouth can really drive customers away.

Let your customers know that you want to hear their complaints. Post a sign or distribute a brochure soliciting their inquiries, suggestions and complaints.

It is also very helpful if customers have a specific location where they can register "merchandise" complaints (e.g., out of stocks, product quality). The courtesy booth is a logical place. In a store without a courtesy booth, use the manager's or head cashier's office, provided it is visible and accessible to customers.

Don't just depend on verbal complaints. Some customers are reluctant to voice a complaint, but they might put it in writing. Give customers access to a suggestion box or make available pre-addressed post cards/mailers with space for customer comments.

The store manager can't handle all complaints. Yet, not every employee has the skills or training to properly deal with complaints. One answer is to train key employees as complaint handlers. Select someone who is accessible to customers and who has the authority to resolve routine complaints quickly and courteously—courtesy booth clerks, department managers or front end managers. The manager or assistant should be available to handle the less routine problems or the customer who demands to "see the manager".

Most complaints can be handled at store level, although there are occasions when the store owner should be contacted. These occasions might include incidents with potential legal or insurance problems, or instances where the customer cannot get satisfaction at store level.

FMI

What Are Your Customer's Attitudes On Meat

Armed with new data from the American Meat Institute, retailers may be better able to deal with consumer attitudes on meat to better merchandise for various shoppers.

The study, conducted by the research firm of Yankelovich, Skelly and White, reviews consumer decisions in meat purchasing. Noting that meat sales have been leveling off recently after a period of decline, the study breaks down the meat purchasing public into distinct categories to discuss how each group makes its purchasing decision.

The groups, as identified in the study, range from "meat lovers" who feel that meat is a part of any main meal, to "health-oriented" shoppers who are inclined to avoid meat buying because of health reasons.

Assorted kinds of meats were gauged in the survey to determine which groups buy them, why and how often.

"This is the first time we've done a segmented study," says Candice Pratt of the institute. Although the study wasn't targeted specially for retailers, she admits it can be of great use to them. "It gives very direct hints on merchandising," she says.

A summary of the study, which was commissioned in partnership with the National Live Stock and Meat Board, is available from the American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.

Computer Donated To High School



A NEW COMPUTER has been donated to the high school from McCreary's IGA in conjunction with a project sponsored by Post Cereals and IGA. Accepting the gift is high school principal Merlyn Elder flanked by the McCreary brothers, Virgil on his right and Bill on his left.

Wellington Daily News

Shurfine Promotes Wayne Banks

NORTHLAKE, IL — Shurfine-Central Corporation reports Wayne Banks has been promoted to the newly-created position of merchandising manager. He was formerly the North Central regional merchandiser.

Under his new responsibility, Banks will be responsible for the coordination of Shurfine's regional merchandising program at both the wholesale and retail levels.

Banks joined Shurfine-Central in 1973 as a regional merchandiser for nine member warehouses in the Midwest. Prior to this, he was an independent retailer and retail merchandiser in the Arkansas area for four years. From 1955 through 1969, he managed chain and independent supermarkets throughout west Texas.

Inventory Adjustment Tips From FMI

An organized system of inventory adjustment procedures is essential if a reasonably accurate picture of gross margin is to be obtained. These transactions include merchandise mark-downs, transfers between stores, returns and losses.

Accounting for inventory adjustments also permits identification of the approximate amount of any unaccounted for losses and shortages, and is a prerequisite for tracing and stopping such losses.

Analysis by the Food Marketing Institute suggests that ten principles should be followed in designing an inventory adjustments procedure.

1. Unauthorized, damaged, spoiled and otherwise substandard merchandise should, if possible, be identified at the time of receiving, and a proper store credit obtained from the vendor.
2. All reasonable efforts should be made to obtain full credit from the vendor for any damaged, spoiled or poor-quality merchandise discovered by the store or its customers after receipt.
3. Proper receipts should be obtained from the vendor's representative for any merchandise returned and the store's inventory records should be adjusted for these amounts.
4. Returnable bottles and reusable containers should be recognized as having cash value and should be handled accordingly, stored, accounted for and returned to the vendor.
5. Merchandise for return to the vendor should be kept separate from normal backroom stock to avoid mixing, irregularities and inefficiency.
6. Nonreturnable damaged merchandise, if saleable, should be sold at marked-down prices or set aside for store use; non-saleable merchandise should be thrown out.
7. Damaged merchandise stock should be checked first before good merchandise is taken for store use.
8. Only the store manager and the department managers should be given authority to mark down saleable damaged merchandise; only the store manager should be permitted to designate it for store use.
9. Accurate records of retail value, cost value and quantity should be kept for all merchandise marked down, used by the store or thrown out as a total loss.
10. Interdepartment and interstore merchandise transfers should be authorized by the store manager only, and should be credited and debited to the respective departments or stores.

WFD

Young Adults Are Most Frequent Food Store Shoplifters, According To New Study

NEW YORK, December 26—The typical food store shoplifter is a young adult between the ages of 18 and 35—and contrary to popular perception—the thief is employed and is as likely to be a man as a woman, according to the most current and comprehensive study of security and shrinkage in food retail stores.

Arthur Young, the accounting and consulting firm, conducts the yearly study for the National Mass Retailing Institute (NMRI). Participants operate food stores in more than 3,800 locations with 1982 sales in excess of \$23 billion dollars.

On average, shrinkage last year represented 1.1% of food retailers' sales and the cost of security was almost half of that at 0.5% of sales. "The value of this shrinkage is approximately \$254 million," commented Stephanie Shern, an Arthur Young partner. "Shrinkage is driving up costs significantly and thereby affecting food store prices," she said.

Food retailers attributed 80% of shrinkage to pilferage—employee theft and customer shoplifting—and 20% to poor paperwork control.

While the study reinforces some commonly held perceptions about those who pilfer, it calls into question other long-standing beliefs.

One surprising statistic is the almost even split in those apprehended for shoplifting between males (46%) and females (54%). The gender differential also is relatively small between male and female employees apprehended.

The study results also run counter to the common belief that most shoplifters are unemployed. Of those apprehended for shoplifting, most men (64%) and women (54%) were employed.

The study revealed that employee theft is high, accounting for 50% of shrinkage, while customers accounted for 30%.

More than 75% of all food store apprehensions were of customers. While retailers prosecuted only 19% of those apprehended for pilferage, more than half (57%) of all prosecutions resulted in convictions.

"Food industry management clearly is highly selective about the cases it will prosecute—much more so than other retailers," Ms. Shern said.

Food retailers are dealing with their losses by spending approximately \$113 million on security.

While most participants (61%) said that it was their company's philosophy to attach greater importance to the prevention of shoplifting, only 22% spent more money on prevention than apprehension. As part of this expenditure, almost all food retailers (90%) use some formal techniques—such as films, video and classes—to train new security personnel.

Ms. Stern pointed to the need to make better, not necessarily greater, use of technology in preventing pilferage. "Using technology appropriately is critical to the food industry's profitability and ability to control costs and prices," she said. Security guards, she noted, are far more effective than loss prevention devices such as mirrors (used by 88% of retailers) and television monitors (used by 58%).

The Expensive Turndown

Some years ago an energetic young man began as a clerk in a hardware store. Like many old-time hardware stores, the inventory included thousands of dollars' worth of items that were obsolete or seldom called for by customers.

The young man was smart enough to know that no thriving business could carry such an inventory and still show a healthy profit. He proposed a sale to get rid of the stuff. The owner was reluctant but finally agreed to let him set up a table in the middle of the store and try to sell off a few of the oldest items. Every product was priced at ten cents.

The sale was a success and the young fellow got permission to run a second sale. It, too, went over just as well as the first. This gave the young clerk an idea. Why not open a store that would sell only nickel and dime items? He could run the store and his boss could supply the capital.

The young man's boss was not enthusiastic. "The plan will never work," he said, "because you can't find enough items to sell at a nickel and a dime."

The young man was disappointed but eventually went ahead on his own and made a fortune out of the idea. His name was F.W. Woolworth.

Years later his old boss lamented, "As near as I can figure it, every word I used in turning Woolworth down has cost me about a million dollars!"

It's What's Up Front That Counts . . . Or Back To The Basics

What's happening in your store's front end? Are you satisfied with the results? Is it well managed? Can the front end in your store be more effective? These and other related questions must be answered affirmatively if what's happening up front is going to really count in your store and company.

As we move into the mid-80's the supermarket industry continues to show evidence of change. New technologies have found their way into the supermarket and into the front end. It is marvelous to see the results of a system which includes the UPC symbol, computers of all sizes, laser beams, terminals, adaptable checkstands, audio price calling, price files and check cashing devices to name a few. The applications of new technology hold much hope for the improvement of supermarket productivity and profitability. They should be carefully investigated and evaluated.

However, let's not forget the **BASICS** as they apply to the front end. No matter how much technology is utilized at the front end basic functions still need to be performed and objectives met. This means people and management interacting together. It means customers being served at the highest level of employee competency. It means front end management who thoroughly understand their job, the customer expectation, the operational requirements and how to manage people. Indeed a big task but these are really the **BASICS!** Let's look at them in greater detail.

Be the best in serving the customer. This rates at the top of customer concerns. Turn customer service into a competitive tactic in the marketplace. Throughput in most stores needs improvement. Customers are entitled to 100% attention by front end personnel but seldom receive it. Define acceptable standards and procedures. When hiring front end personnel, select only those who have the potential to be excellent "customer oriented employees." Make customers the number one priority. Your sales and profits are at stake!! **BEST CUSTOMER SERVICE equals MORE SATISFIED CUSTOMERS**

Always expect the best in front end operations. Today front end management must be aware of a multitude of operational concerns. Is a systematic method of scheduling being used? How's the physical appearance up front? Is a loss prevention program in place? Are cash, checks, food stamps, coupons, etc. being protected adequately?

Are all policies written, communicated and understood? Has correct procedure been defined and is it being followed 100% of the time? Do your front end operations produce efficiency, accuracy, security and proper productivity? All of these items demand constant attention by those who manage front ends—that's basic. **BEST OPERATIONS equals LOWER COSTS**

Supervise employees with effective approaches. The task of supervising a large number of front end employees is enormous. Front end managers must be prepared to successfully communicate through verbal, written, and non-verbal forms. Listening skills need to be developed and used. Motivation is crucial and must be understood and practiced. Frequent evaluation of employee performance is essential. Is job satisfaction adequate? Do your employees like working in your store? The way you supervise makes the difference in how employees behave and perform. A multitude of problem situations are eliminated through sound management practices. **EXCELLENT SUPERVISION equals EXCELLENT PERFORMANCE**



William O. "Bill" Haynes is a food distribution professor at Western Michigan University in Kalamazoo, MI and president of Food Industry Services Company, 6736 Pleasantview Drive, Kalamazoo, MI 49002, (616) 327-3595. He conducts an eight hour seminar of **FRONT END MANAGEMENT** for those with front end supervisory responsibilities.

Invest in total training of front end personnel. This is one of the best investments that you will ever make. Yes, training doesn't cost—it only pays! Most supermarkets "short-circuit" training in the front end. Too many times it is on a "sink or swim" basis which is very costly. Be sure a total training program is developed for cashiers and baggers. Allocate adequate resources of time and money to get the job done right the first time. Thoroughly understand the teaching/learning principles and processes. Cashiering and bagging are very significant jobs. Make sure quality training is accomplished! **BEST TRAINING equals LESS MISTAKES AND BETTER EMPLOYEES**

Commitment to increased productivity. Productivity in the front end can be improved in most supermarkets. Observation and analysis of work methods by checkers and baggers is essential to the commitment. By coaching employees with hints for improvement and rewards for accomplishments, rings per minute and sales per labor hour will increase. Proper checking techniques must be taught in training. In a scanning environment, is the correct method of passing the product over the scanner being used? Too many scan stores are slower than non-scan stores. Re-training is an excellent approach. Prepare personnel for changes reflecting use of new technology. Sell change—it is healthy as long as it is non-threatening to employees. **COMMITMENT equals INCREASED PRODUCTIVITY**

Successful front ends require professional management. Since this is a "people using technology" business the management element is crucial. Considering the tremendous responsibility of managing the front end plus the importance of this vital profit making area, you must have extremely competent managers who can get results through people. To do this requires an extensive front end manager development program including managing people, controlling operations, serving customers and managing self. All available front end seminars, educational programs and resources should be used for this purpose. **PROFESSIONAL FRONT END MANAGERS equals SUCCESSFUL FRONT ENDS**

These are but a few of the concerns to be dealt with in today's supermarket front ends. The foregoing **BASICS** when applied to your front end will produce desirable results. They deserve your study and consideration in the search for increased profits. By doing this, what's up front in your store will count even more.

IGA Plans Month-Long Program To Benefit Special Olympics

CHICAGO, December 27 . . . Special Olympics, the international program of sports training and competition for mentally handicapped children and adults, will be the focus of a month-long drive sponsored by IGA, starting February 1, 1984.

IGA, a nationwide alliance of independent retail grocers, has planned the drive to renew an enormously successful campaign which raised more than \$250,000 last year for Special Olympics.

The 3,300 IGA grocers across the country will have the opportunity to participate again this year in both local and national promotions to benefit Special Olympics. Canisters will be placed at check-out counters and at other in-store locations to suggest the depositing of change. A "Labels of Love" promotion will be the source for other donations. For each IGA product label turned in by customers, participating retailers will contribute five cents to Special Olympics. Monthly totals collected through labels will be matched by the store and earmarked for use in the area by local chapters. Radio spots, newspaper advertisements and feature stories will publicize the "Labels of Love" fund-raising effort.

To supplement the systemwide canister and "Labels of Love" promotions, individual IGA retailers will initiate a wide spectrum of events. Ranging from art exhibits to raffles to car washes, the goals will be to generate significant funds for Special Olympics and to reach mentally handicapped persons eight years of age and older who are not yet involved in the organization's activities.

Recruitment forms and information on Special Olympics will be available in participating IGA stores for pick-up by relatives and friends of mentally handicapped persons.

Special Olympics, which now involves more than one million participants in every state in the U.S. and 50 foreign countries, was founded in 1968 by the Joseph P. Kennedy Jr. Foundation.

*Support Your Advertisers
and Associate Members*

ASSOCIATED WHOLESALE GROCERS GOES FOR THE GOLD!



AND YOU'RE THE WINNER.

AWG's new Always Save Brand is priced to be your everyday low priced leader. They're priced to move fast ... and that means more sales and profits for you! And the Always Save brand is backed by AWG's 100% guarantee of quality. That will please your customers.

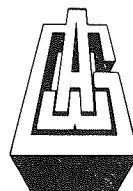
Dressed in bright yellow, red and black, Always Save is designed for high visibility and impact.

Want more information about the new AWG Always Save program? Call Curt Schuette in Kansas City or Gary Phillips in Springfield. They'll be glad to share the Gold with you.

ASSOCIATED WHOLESALE GROCERS

There's never been a better reason to join A.W.G.

Kansas City (913) 321-1313



Springfield (417) 869-7344

Latest Ruling On Ad Allowances

In the recent General Motors case, an administrative law judge reaffirmed the Federal Trade Commission's ongoing contention that all advertising allowances must be offered on a proportionally equal basis to all competing customers of the seller. He also reiterated that indirect customers [i.e., retailers buying through a wholesale operation] must be offered proportional allowances to the direct buying (i.e., large chain) customers.

According to Administrative Law Judge James P. Timony's decision in the GM case, "The basic policy of the Robinson-Patman amendment to the Clayton Act is found in its statutory language and legislative history. The Robinson-Patman Act was enacted in 1936 to curb and prohibit all devices by which large buyers gained discriminatory preferences over smaller ones by virtue of greater purchasing power. *FTC v. Henry Brock & Co.*, 363, U.S. 166, 168 (1960). And the legislative history of the Act shows that promotional allowances 'become unjust when [the favored buyer] is thus enabled to shift to his vendor substantial portions of his own advertising cost, while his smaller competitors unable to command such allowances, cannot do so' . . . In passing Section 2(d), Congress intended 'to assure that all sellers, regardless of size, competing directly for the same customers would receive evenhanded treatment from their suppliers.' "

Regarding the holding that sellers must have a plan that makes "proportionally equal" allowances to indirect buying customers as well as direct buyers, Judge Timony wrote; "That is the holding in *FTC v. Fred Meyer, Inc.*, 390 U.S. 341 (1968). There, a favored direct buying retailer was in competition with firms that bought the manufacturer's products through wholesalers, and the Court affirmed that for the purposes of Section 2(d) the firms buying through middlemen were 'customers' of the manufacturer."

In his General Motors order, Judge Timony wrote, "If respondent continues to grant advertising allowances . . . it must do so proportionally. Respondent can satisfy this requirement by granting allowances on a per vehicle basis."

Are the advertising and promotional allowance programs you are involved with in full compliance with the law?

I've met a few people in my time who were enthusiastic about hard work. It was just my luck that all of them happened to be men I was working for at the time.

BILL GOLD



"Call me later, Honey, when I'm not so busy. Right now I'm on my coffee break."

Now — your choice in a productive, advanced stand-alone system: key-entry or scanning!



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AND BOOGAARTS

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RETAILER THE ADVANTAGE OF WORKING WITH PEOPLE
WHO

KNOW AND THINK RETAIL

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- ★ COMPLETE PERISHABLES PROGRAM
- ★ EXPANDED LINE OF HABA AND
GENERAL MERCHANDISE
- ★ BESTYET PRIVATE LABEL PROGRAM
- ★ ADVERTISING AND MERCHANDISING
PROGRAMS
- ★ RETAIL ACCOUNTING PROGRAM
INCLUDING PAYROLL SERVICES
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- ★ RETAIL INVENTORY SERVICES
- ★ COMPLETE STORE DEVELOPMENT
SERVICES INCLUDING SITE ANALYSIS
- ★ COMPLETE EQUIPMENT AND SUPPLY
PROGRAM
- ★ ASSISTANCE IN MAJOR IMPROVEMENT
PROJECTS, INCLUDING REMODELS AND
RESETS

Working Together To Meet The Challenges of The 80's

FOR MORE INFORMATION
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BOOGAARTS

A DIVISION OF SCRIVNER, INC.

**WHOLESALE DIVISION
PHONE (913) 243-1656**

**124 EAST FIFTH
CONCORDIA, KS. 66901**

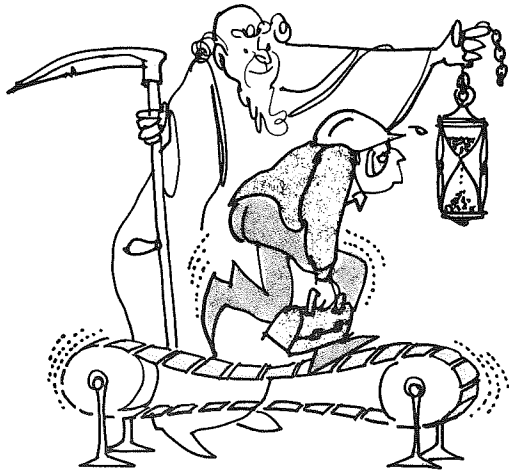
How To Handle Lateness & Absenteeism

Lateness and absenteeism are two of industry's biggest problems. Anyone who knew a sure cure for them could sell the secret and retire in luxury.

It's hard enough to schedule work efficiently even when everyone shows up. And when people are unexpectedly late or absent, adjustments have to be made at the last minute. These makeshift changes are usually costly and inefficient.

There is, of course, no final solution. Like death and taxes, lateness and absenteeism will always be with us. Nevertheless, there are things a supervisor can do to minimize the problem.

One is to be sure — through personal contact and explanation — that everyone appreciates the problems that lateness and absence create. Some people believe it's nobody's business but their own. They must be helped to see that their actions affect the entire group, that they are part of a team. When they're late or absent, they're letting the others down.



It's important too for the person who supervises others to practice promptness and regularity as well as preach them. Regular hours set a good example for everyone. Employees feel better about complying when they know that what's sauce for the goose is sauce for the gander too.

Also, take more time to appreciate the work people do when they are *not* absent. Show them how much you count on them. People who feel needed and wanted — who know that their presence on the job is important — are less apt to be late or absent.

If excessive lateness or absenteeism continues, probe for deeper reasons. Is the job too boring? Has it lost its challenge? If so, what can you do to remedy the situation?

You will never solve these problems completely. You can, however, develop a constructive approach that holds them to a minimum.

Balls Names Two To Supervision Staff

Management of Balls Super Food Stores recently announced the addition of two new persons to their supervision staff in Kansas City. Michael D. Mizell has been named Produce Supervisor and Thomas O. Moats has been named grocery supervisor for the local chain. Both are former employees of Associated Wholesale Grocers in Kansas City.

Mike Mizell is a native of Kansas City and began his grocery experience with Safeway in 1969 at the age of 16. Training and developing his produce merchandising technique came with working 10 years in the produce department of several Safeway stores.

Mike then accepted a position with AWG of Kansas City as produce counselor for their independent stores in Nebraska and Kansas. The "Crisping Program" was put into action at that time which Mike now strongly reinforces in his current position with the Balls Stores.

As produce supervisor for the Balls Stores, Mike feels he has the opportunity to create the reputation of having the freshest as well as greatest variety of produce in the midwest.

Mike is married, and has two children, Nick 13 and Sharon 10.

Tom Moats is also a native Kansas Citian who entered the food business working on a part time basis for the Kroger Company in Kansas City while attending high school and the Kansas Community Junior College. Tom completed his education at the University of Kansas with a BS degree in Education in 1971.

He worked for Safeway in Lawrence, Kansas for three years, becoming Assistant Manager of the store there. For the next six years Tom managed the Pence Food Center in Ottawa, Kansas bringing the store from a negative profit picture to a yearly profit above the industry average. He served as Produce Specialist for AWG in Kansas City for a year before joining the Balls organization. Tom and his wife have been married for 14 years and have two children, ages 9 and 7.



IT'S TIME TO BE HEARD

SO

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MARCH 26-28, 1984

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with Uncle Sam.*

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NATIONAL GROCERS ASSOCIATION
FOOD INDUSTRY ASSOCIATION EXECUTIVES (F.I.A.E.)

Please Print. List name(s) as you want to appear on badge.

Name _____

Spouse _____
(if registering)

Company _____

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City/State _____ Zip _____ Phone _____

NATIONAL GROCERS ASSOCIATION
 Public Affairs Conference

Registration fee: \$175.00

Spouse: \$125.00

Our check for \$ _____ is enclosed made payable to National Grocers Association.

Cancellation Policy: Full registration fee will be refunded if *written* notification is received no later than Friday, March 23, 1984. All refunds are subject to a \$25 processing fee. No refunds will be made after March 26, 1984.

Request for Hotel Accommodations

ARRIVAL DATE _____	DEPARTURE DATE _____		
	<small>(circle requested rate)</small>		
Please reserve _____ single room	\$80	\$ 90	\$100
_____ double room	\$90	\$100	\$110
_____ one BR suite petite	\$250	capitol	\$400
_____ two BR suite petite	\$325	capitol	\$475

Hyatt Regency Hotel
 400 New Jersey Avenue N.W.
 Washington, D.C.
 (202) 737-1234

Please guarantee this reservation to my credit card, since I/we will be arriving after 6 p.m.

Credit Card _____ # _____ Exp. Date _____
(any major)

Return this entire form along with registration fees to:

National Grocers Association • 1825 Samuel Morse Drive • Reston, Virginia 22090

CAP - Competitive Allowance Program.

Beginning January 1, 1984 Blue Cross and Blue Shield of Kansas is going to pay providers what's competitive and fair, but not more.

CAP is designed to apply some solid braking power to rising health care costs.

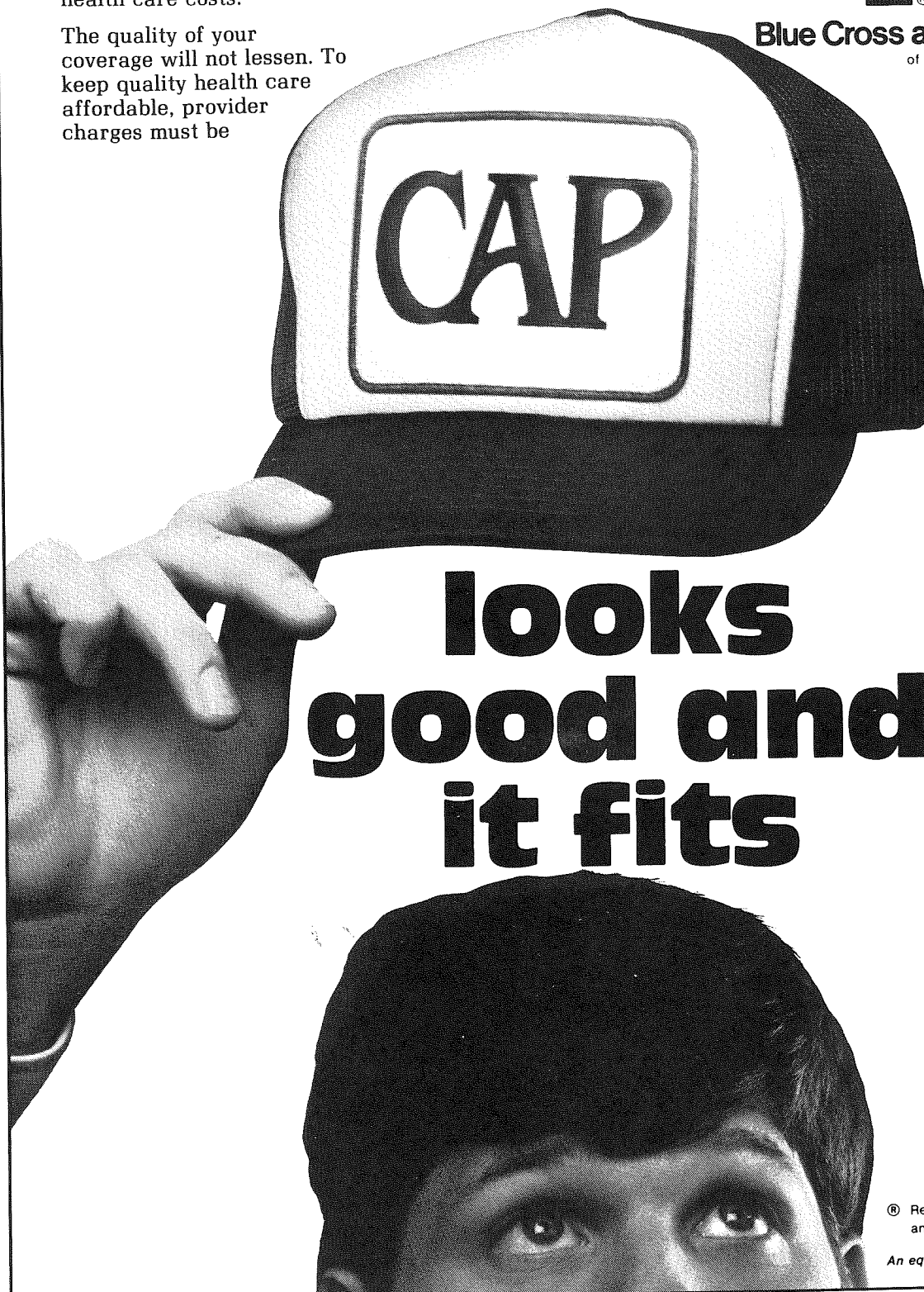
The quality of your coverage will not lessen. To keep quality health care affordable, provider charges must be

competitive with their peers. **Subscribers** must take better care of themselves and not pressure providers for unneeded services. They should also opt to use less expensive outpatient treatment in lieu of more expensive inpatient hospital services whenever possible.

And **Blue Cross and Blue Shield** of Kansas must respond to your desire to be more aggressively prudent in paying providers. That's where CAP fits.



Blue Cross and Blue Shield
of Kansas



**looks
good and
it fits**

® Registered Marks Blue Cross and Blue Shield Association

An equal opportunity employer

**We can help you put all
the pieces in the right places.**

At Affiliated Foods we believe the most important function of a food distribution center is helping build successful members. We believe a warehouse is a service center. And that's why our service levels are much higher than the national average. We don't believe a cooperative should treat its stores like a chain. At Affiliated Foods we think retail. We know the bottom line of a successful warehouse is successful retailers.

**A fiscal fitness
program for the 80's.**

Affiliated Foods

**We think the bottom line of a successful
warehouse is successful retailers.**

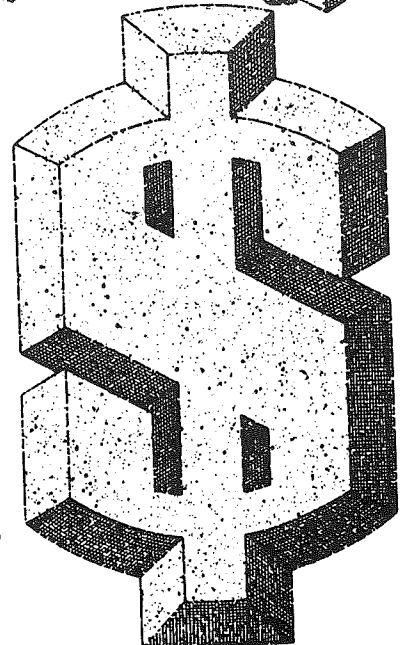
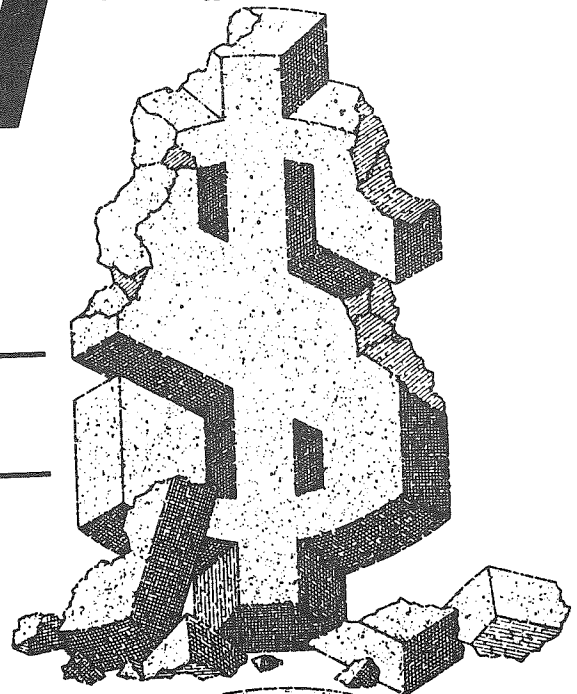
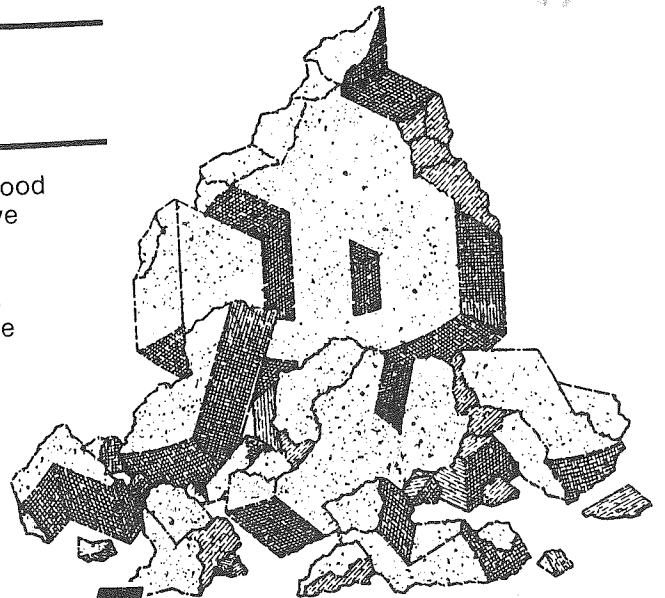
Headquartered near St. Joseph, Mo., Affiliated is the full-line distribution center for more than 400 member independent grocers in Missouri, Kansas, Iowa, Nebraska and Illinois. We provide quality merchandise and a complete range of services to the full scope of today's industry—from the warehouse operation to the convenience store and the traditional "mom and pop." We distribute the Shurfine, Shurfresh and Thrift King label products as well as name-brand and generic groceries, nonfoods, dairy products, health and beauty aids, frozen foods, fresh meats and fresh produce.

**Working together for
a strong bottom line.**

But it's no longer enough that a warehouse merely offer a full range of products at a competitive price. Our industry has become far too refined and it demands much more. That's why we've assembled a staff of industry pros second to none. This is, after all, a people business. From our sales team to our buyers and merchandisers, from our scanning support and data processing experts to our advertising, store development and retail accounting staffs, Affiliated Foods offers you a team committed to one thing—the success of your bottom line and helping build your fiscal fitness.



**Call Affiliated Foods in St. Joseph
today at 913-365-9741.**



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Our Thanks To
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Whose name was
inadvertently omitted
from our listing of
Convention Luncheon
Sponsors in our
September issue.

We do appreciate their support
and apologize for our omission.

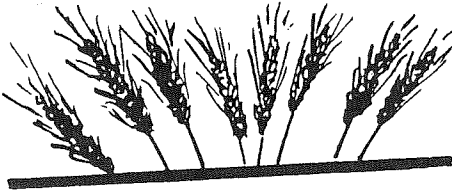
mule DISTRIBUTING, INC.

Topeka Air Industrial Park, Building #248
P. O. Box 19123 • Topeka, Kansas 66619 • (913) 862-0509

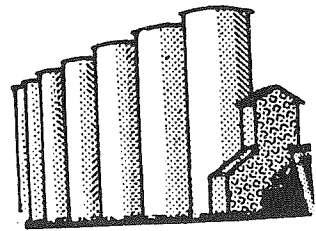
**Serving The Food
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Party Goods - Bows - Gifts and Notions

"Tailored to fit your individual needs"



Kansas Food Dealers BULLETIN



2809 West 47th Street, Shawnee Mission, Kansas 66205
Phone 913-384-3838

WE ARE INTERESTED IN WHAT YOU'RE DOING!

Two minutes is all it will take to let us know of the important happenings with you and your business, so that we may publish it in this magazine. We ask you to answer the appropriate questions below and mail it in to us at the above address. (Use additional paper if necessary.)

Name _____ Title _____

Firm _____

Address _____

City _____ State _____ Zip _____

1. Any plans for expanding your store or operation? Buying? Selling? Building a new store? _____

2. Any personal changes? Promotions? _____

3. Any new business ideas, solutions or tips we can pass along to our members? _____

4. Do you plan or have you held any successful promotions or special sales? _____

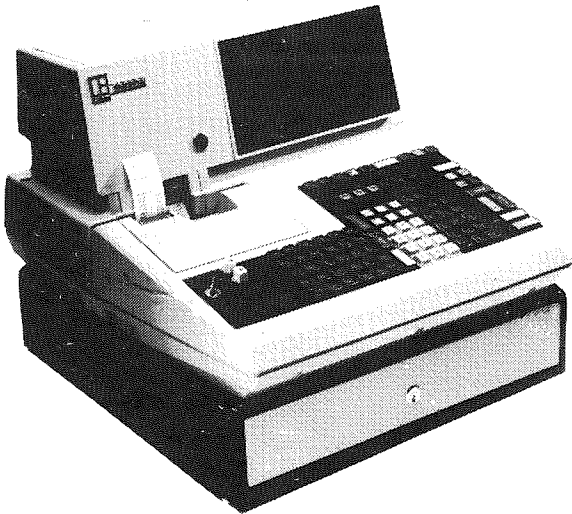
5. Have you or any of your employees won any awards lately? _____

6. Do you have any ideas or criticisms that would improve your K.F.D.A.? _____

7. Suggestions for future Kansas Food Dealers stores. _____

PHOTOS: We welcome black and white photos, 5" x 7" preferred. Thank you.

SWEDA



PHILLIPS BUSINESS EQUIPMENT CO.
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Do You Have What It Takes To Inspire People?

By Ed Ricker, PLRS Associates,

Some managers know they appear cold, aloof and impersonal. They envy other executives who can handle their subordinates with apparent ease. Here's a roundup of tips that often are ignored in the press of daily business. Use them if you think your performance as a leader is not all it could be.

NINE DEADLY DE-MOTIVATORS

1. Never belittle a subordinate.
2. Never criticize a subordinate in front of others.
3. Never fail to give subordinates your undivided attention.
4. Never seem preoccupied with you own interests.
5. Never play favorites.
6. Never fail to help your subordinates grow.
7. Never be insensitive to small things.
8. Never embarrass weak employees.
9. Never vacillate in making a decision.

... AND POSITIVELY, SEVENTEEN WAYS TO MOTIVATE

1. Communicate standards and be consistent.
2. Be aware of your own biases and prejudices.
3. Let people know where they stand.
4. Give praise when it is appropriate.
5. Keep your employees informed of changes that may affect them.
6. Care about your employees.
7. Perceive people as ends, not means.
8. Go out of you way to help subordinates.
9. Take responsibility for your employees.
10. Build independence.
11. Exhibit personal diligence.
12. Be tactful with your employees.
13. Be willing to learn from others.
14. Demonstrate confidence.
15. Allow freedom of expression.
16. Delegate, delegate, delegate.
17. Encourage ingenuity.

NOTICE!

Many of our supplier and broker friends have asked if a copy of our monthly magazine could be sent to their office or home. If you wish this service please contact our office at 913-384-3830 so we can arrange to accommodate you.

Winter Savings Offered On GLY-OXIDE®



KANSAS CITY, Mo.,—Winter savings are available to retailers on Gly-Oxide® oral antiseptic from Marion Laboratories.

The special discount offer, which applies to both the ½ oz. and 2-oz. sizes of Gly-Oxide Liquid, consists of 8 ⅓ % off the invoice price (1 free with 11) on orders placed between February 1 and February 17, 1984.

Gly-Oxide is used as an aid to a regular oral hygiene program and as a cleansing agent for persons with orthodontic appliances.

Full information on the promotion can be obtained from your Marion sales representative or by contacting the Consumer Products Division, Marion Laboratories, Inc., P.O. Box 9627, Kansas City, Mo. 64134.

Pets Help Toys for Tots



Major Holiday Promotion Donated \$75,000 in Toys for Needy Tots

America's premier holiday charity—Toys for Tots, sponsored by the U.S. Marine Corps Reserve—received a special boost this year by way of America's pet owners.

Bonz®, Happy Cat® and Praise® pet foods initiated a coast-to-coast coupon promotion which generated up to \$75,000 worth of toys for needy tots, made possible by America's pet owners when they redeemed coupons from a national newspaper advertisement which ran the week of December 12.

Sandy Harrington, Ralston Purina Company spokesperson, announced that the brands' participation in the very special holiday promotion was supported by a \$10 million advertising and promotional support program.

The support program included: network television spots; magazine advertising; a special free standing insert, which appeared in daily newspapers nationwide the week of December 12; and a full complement of point of sale materials, in-stores displays and trade allowances.

The famous Checkerboard Square brands are continuing a history of corporate social responsibility and support for the charity—a history which was begun by Walt Disney Studios in 1948, when Disney donated the first poster to the charity and garnered corporate support from his licensees.

In that first year, 7,000 toys were collected with the help of theatres, local radio stations and newspapers, and celebrities Glenn Ford, Eartha Kitt, Virginia Mayo and John Wayne. In the years since 1947, the program has mushroomed into a drive which collects millions of toys for needy tots each year. A record 5.7 million new toys were collected in the 1980 drive.

Local U.S. Marine Corps Reserve units in more than 175 cities throughout the nation arrange for chairpersons and local volunteer workers to donate time and locations for collection of toys. Distribution is usually conducted through or under the auspices of recognized social welfare agencies.

The Ralston Purina pet food brands hope to increase significantly that number of toys through their couponing promotion.

The public is invited to volunteer and/or donate to Toys for Tots by contacting the nearest U.S. Marine Corps Reserve activity (look under "U.S. Government" listings in the telephone book), or by redeeming Bonz, Happy Cat or Praise coupons.

Winter Savings Available On Gaviscon® Antacid



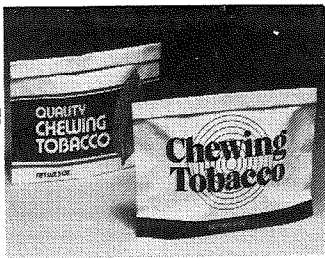
KANSAS CITY, Mo.—A special winter discount is being offered to retailers by Marion Laboratories, Inc. on the Gaviscon® family of antacid products.

The offer, which runs from February 1 to February 17, 1984, provides for an 8 ⅓ % off-invoice discount (1 free with 11) on the 100-count bottles and 30-count foil packs of Gaviscon tablets; the 12-oz. bottle of Gaviscon® liquid; and the 48-count box of double-strength Gaviscon-2 tablets.

The promotion includes a generous co-op advertising allowance, including \$2.40 per dozen on Gaviscon-2 tablets; \$2.25 per dozen on Gaviscon 100-tablet bottles; \$1.65 per dozen on Gaviscon liquid; and \$1.00 per dozen on the 30-count, foil-wrapped tablets. A promotional display allowance is also available to retailers.

For more information on the Gaviscon winter promotion, ask your Marion sales representative or contact the Consumer Products Division, Marion Laboratories, Inc., P.O. Box 9627, Kansas City, Mo. 64134.

Generic Chewing Tobacco Hits The Bulls-Eye



GREENWICH, CT—January 4, 1984—Aimed at the value-conscious tobacco chewer who is looking for savings plus quality, U.S. Tobacco's new generic chewing tobacco is making sales impact at checkout counters throughout the Midwest and South.

Strikingly packaged in white foil with the words, "CHEWING TOBACCO" in bold black serif lettering over a bulls-eye, the loose leaf product, distributed by U.S. Tobacco's Private Blends of Richmond, Virginia, has almost doubled sales in poundage each month since it was introduced in February of 1983.

The generic chew is a blend of several high-grade chewing tobacco leaves, topped with a sweet casing consisting of the finest ingredients which retains a pleasant and long-lasting flavor.

Purchasing generic chewing tobacco enables the consumer to cut costs by approximately 30 percent; a three-ounce package sells for 69¢ rather than 89¢.

As to quality, a customer from Ebervale, Pennsylvania, wrote: "I have been chewing tobacco for 50 years. Yesterday I purchased four packages of your tobacco with no brand name on it and I swear it's the best I have ever tasted."

Private Brands is located in Richmond, VA, and has a toll free number, 800-446-5795, to facilitate customer inquiries.

Land O'Lakes Offers New Cheese Line



Award-winning Land O'Lakes® 4-quart Deli Cheese is available now to supermarket delis in your area following a successful test market in upper New York State.

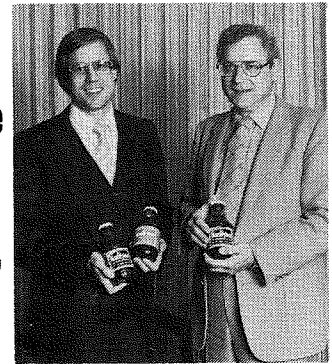
Consumers can select from many varieties of natural and processed cheeses. The natural varieties include Cheddar, Colby, Swiss, Monterey Jack, plus Brick, Muenster, Gouda, and Provolone. Always popular process American cheese comes by the 5 lb. loaf or presliced. Land O'Lakes also offers four varieties of flavored cheese foods; jalapeno, onion, salami and pepperoni are available in four color packaging.

The 4-Quart line is named for the amount of milk that goes into each pound of cheese. The quality of Land O'Lakes 4-Quart Deli Cheese begins with only the freshest, purest milk produced on Land O'Lakes farms in North and South Dakota, Minnesota, Iowa and Wisconsin.

Land O'Lakes® 4-Quart Deli Cheese offers both quality products and merchandising support. Land O'Lakes cheeses have won top awards from the National Milk Producers Federation for the past six years. The merchandising events use attractive, appetizing photography of cheese and deli items to encourage deli sales.

Land O'Lakes is a Minnesota-based food marketing and supply cooperative. The \$3 billion company offers a wide variety of high quality butter, margarine, cheese and related products.

K.C. Masterpiece Introduces 'No Salt Added'



K.C. Masterpiece Products, Inc., maker of K.C. Masterpiece Barbecue Sauces, announces the successful test marketing of a new No Salt Added Barbecue Sauce to complement its product line.

K.C. Masterpiece's No Salt Added was one of the first low sodium barbecue sauces on the market and was introduced for those people becoming increasingly more health conscious and for those on a salt restricted diet. According to Rich Davis, president of Masterpiece, the trend indicates low sodium products have shown enough strength in the marketplace to earn a permanent place on the grocery shelf. Low sodium products are being marketed through normal channels, and no longer are considered "gourmet" items only.

K.C. Masterpiece retails four sizes of its regular flavor (Kansas City Style Black Label) and three sizes of its smoky and hot version (Southern Style Red label). Dr. Rich Davis, chairman and founder of K.C. Masterpiece Products, Inc., began making his home recipe barbecue sauces six years ago. Davis began convincing stores to carry his sauce by conducting blind taste tests against national brand barbecue sauces. K.C. Masterpiece was consistently picked as the favorite. Stores began stocking the barbecue sauce, and today K.C. Masterpiece can boast to be the number one selling barbecue sauce in Kansas City, according to recent industry figures and is now distributed to more than 20 states throughout the country.

Kansas Food Dealers Associate Members

We Urge You To Support Your Supplier Friends

BAKERIES

Alexander Brothers Bakery Topeka
Betts Baking Co. Hutchinson, Ks.
Continental Baking Kansas City
Interstate Brands Kansas City
Manor Baking Co. Kansas City
Rainbow Baking Co. Wichita

BEER

A & A Coors, Inc. Hays, Ks.
Adolph Coors Chesterfield, Mo.
Anheuser Busch Inc. Kansas City
Campbell Distributors, Inc. Manhattan, Ks.
Coors of Kansas Wichita, Ks.
Menghini Bros. Distributors Frontenac, Ks.
House of Schwan Wichita, Ks.
Pabst Brewing Co. Milwaukee, Wi.
Quality Distributors Inc. Wichita, Ks.

BOTTLERS

Coca Cola Bottling Co. Winfield, Ks.
Coca Cola Mid America Kansas City
Dr. Pepper Bottling Co. Wichita, Ks.
Independence Bottling Co. Independence, Ks.
Pepsi Cola Bottling Co. Dodge City, Ks.
Pepsi Cola Bottling Co. Topeka, Ks.
Pepsi Cola Bottling Co. Wichita, Ks.
Seven Up Bottling Co. Topeka, Ks.
Wichita Coca Cola Bottling Co. Wichita, Ks.

COFFEE

Coca Cola Foods Division Kansas City

DAIRIES

Beatrice Foods Wichita, Ks.
Fairmont Foods Co. Kansas City
Farm Fresh Dairy Inc. Ponca City, Okla.
Meyer Dairy Co. Basehor, Ks.
Mid America Farms Springfield, Mo.
Steffens Dairy Foods Co. Wichita, Ks.
Westside All Star Dairy Junction City, Ks.

EGGS

Boomsma's Farm Fresh Eggs Pella, Iowa
Carl Otten & Son Poultry & Eggs Kansas City

EQUIPMENT

Business Machines Inc. Topeka, Ks.
Food Market Equipment Co. Kansas City
Harris Bros. Industries Kansas City
Hobart Sales & Service Hays, Ks.
National Cash Register Co. Topeka, Ks.
Phillips Business Equip. Co. Topeka, Ks.
Specialty Food Equipment Kansas City
White Distributing Co. Wichita

FOOD PRODUCTS GENERAL

Barkman Honey Co. Hillsboro, Ks.
Campbell Dist. Co. Manhattan, Ks.

Del Monte Sales Co. Chesterfield, Mo.
Gooch Foods Inc. Lincoln, Neb.
Hudson Foods Inc. Wichita, Ks.
L.D. Jones Foods Co. Oklahoma City, Ok.
Keebler Company Kansas City
Nabisco Inc. Wichita, Ks.
Ralston Purina Co. St. Louis, Mo.

PACKING COMPANIES

Armour Food Co. Kansas City
Cudahy Foods Co. Kansas City
Dold Foods Inc. Wichita, Ks.
Fanestil Packing Co. Emporia, Ks.
Farmland Foods Inc. Kansas City
Herwoods Wholesale Meats Lawrence, Ks.
Iola Meat Processors Iola, Ks.
Longmont Foods Longmont, Co.
Ohse Meat Products Topeka, Ks.
Oscar Mayer & Co. Kansas City
Rodeo Meats Inc. Arkansas City, Ks.
Winchester Packing Inc. Hutchinson, Ks.

POTATO CHIPS

Frito Lay Inc. Topeka & Kansas City
Guys Foods Inc. Liberty, Mo.
Highland Potato Chips Kansas City

POULTRY

Crystal Lake Foods Co. Kansas City

WHOLESALE GROCERS

Affiliated Foods Inc. St. Joseph, Mo.
Associated Grocers of St. Louis Wichita, Ks.
Associated Wholesale Grocers Kansas City
Associated Wholesale Grocers Springfield, Mo.
Boogaart Supply Inc. Concordia, Ks.
Fleming Foods of Mo. Joplin, Mo.
Fleming Foods Co. Kansas City
Fleming Foods Co. Topeka, Ks.
Fleming Foods Co. Wichita, Ks.
Hale Halsell Co. Tulsa, Ok.
Nash Finch Liberal, Ks.
Ozark Grocery Company Springfield, Mo.
Taylor Wholesale Grocery Coffeyville, Ks.

MISCELLANEOUS

B&B Distributing Co. Manhattan, Ks.
Carlson Mfg. & Sales Inc. Wichita, Ks.
Dodson Insurance Group Kansas City
Fogarty News Agency Pittsburg, Ks.
General Mdse. Distr. Inc. Topeka, Ks.
Guaranteed Foods Inc. Lenexa, Ks.
Hobart Corp. Lenexa, Ks.
Holloway Wholesales Beloit, Ks.
K.C. Periodical Distributing Co. Overland Park, Ks.
M-S News Co. Wichita, Ks.
Midwest Tobacco Co. Hays, Ks.
Mule Distributing Inc. Topeka, Ks.
Palmer News Inc. Topeka, Ks.
Prairieland Processors Winfield, Ks.
Proctor & Gamble Distr. Co. Cincinnati, Oh.
Southwestern Bell Telephone Wichita, Ks.
Store Guardian Insurance Topeka, Ks.
Valley Distributors Inc. Parsons, Ks.

FEBRUARY, 1984

KANSAS FOOD DEALERS ASSOCIATION
2809 West 47th Street
Shawnee Mission, Kansas 66205
Address Correction
Requested

Bulk Rate
U.S. POSTAGE
PAID
Permit No. 558
Shawnee Mission, KS

K R I L D A

KANSAS RETAIL LIQUOR DEALERS ASSOCIATION INC.

P.O. BOX 4051
TOPEKA, KS. 66604
(913) 272-4810 or 266-3420

ALBERT D. LOLLAR
PRESIDENT

TRACY MOODY, 1st Vice-President
CARL MITCHELL, 2nd Vice-President
WAYNE BENNETT, Secretary-Treasurer

29 February 1984

Kansas House of Representative
Energy and Natural Resources Committee
State Capitol
Topeka, KS 66612

Re: HB 2863

The Kansas Retailers Liquor Dealers Association is strongly opposed to HB2863.

It is quite evident, from all available information, that this type of Legislation is NOT the answer.

I urge this Committee to kill HB 2863 and to support the Kansas Beverage Industry Recycling Program. A Program that is starting to work well to handle our cans and bottles in the State of Kansas.

I personally became involved with the National Liquor Stores Association in 1977 - I now hold the office of vice president. When A. J. "Jerry" Petrie, President of the Arizona BIRP Program, spoke to our members I became enthused and worked at length to get a BIRP Program in Kansas.

At our quarterly Board of Directors National Liquor Store Association meetings, I hear constantly the negative aspects of mandatory legislation from members whose States have the legislation we are considering here today.

I encourage the Committee to just look at States that have organized BIRP Programs; compare these States to the ones that have mandatory deposit legislation.

The Kansas Retail Liquor Dealers Association will continue to support BIRP and Keep America Beautiful Movement to control the litter problem.

Sincerely,



Albert D. Lollar
President

db

Attachment 4
2-29-84

FEBRUARY 29, 1984
ENERGY & NATURAL RESOURCE COMMITTEE
KANSAS HOUSE OF REPRESENTATIVES
TESTIMONY ON HOUSE BILL NO. 2863

MY NAME IS JACK CRAWFORD. I AM REPRESENTING CONTINENTAL CAN COMPANY AND THE CAN MANUFACTURERS INSTITUTE. I HAVE EXPERIENCE RUNNING A RECYCLING CENTER AND SERVICE ON THE BOARDS OF KANSAS BEVERAGE INDUSTRY RECYCLING PROGRAM, OR BIRP AND THE NATIONAL RESOURCE RECOVERY ASSOCIATION. IN ADDITION, I AM ACTIVE WITH STATE RECYCLING ASSOCIATION IN NEBRASKA, WASHINGTON, CALIFORNIA, ALASKA AND HAWAII.

I'M HERE TODAY TO URGE THE HOUSE COMMITTEE MEMBERS TO VOTE AGAINST H.B. 2863 BECAUSE OF THE DAMAGE IT WOULD DO RECYCLING IN KANSAS. THE BEVERAGE CONTAINERS ARE THE CASH CROP FOR MANY CENTERS AND WITHOUT THIS INCOME THEY WOULD NOT REMAIN OPEN. THIS CREATES MORE THAN JUST JOB LOSS IT ALSO IS A MAJOR SET BACK FOR OTHER RECYCLABLES SUCH AS PAPER, OIL AND RUBBER.

THE BEVERAGE INDUSTRY HAS BEEN TARGETED BY ENVIRONMENTALISTS AS THE "SCAPE GOAT" FOR WASTE AND LITTER. HOWEVER, RATHER THAN MANDATORY DEPOSITS BEING A "START," IT'S USUALLY A VERY EXPENSIVE ATTEMPT AT A "QUICK FIX," OR AN "EASY SOLUTION" TO A COMPLEX PROBLEM OF WASTE CONTROL. LITTER IS SOLID WASTE THAT HAS ESCAPED FROM THE WASTE STREAM.

MOST PEOPLE PERCEIVE LITTER AS COMING FROM TWO PRIMARY SOURCES: (1) PEDESTRIANS AND (2) MOTORISTS, BUT MORE THAN HALF OF THE LITTER COMES FROM THE FIVE OTHER SOURCES:

Attachment 5
2-29-84

- (1) UNTARPED OR IMPROPERLY TARPED TRUCKS; (RECYCLED FISH NET -- ENFORCEMENT; ENVIRONMENTAL OFFICES AND RULES)
- (2) RESIDENTIAL OUTPUTS -- I.E., GARBAGE CANS; (HOME OWNERS, CCS, ENVIRONMENTAL OFFICES AND BLOCK *****)
- (3) COMMERCIAL OUTPUTS -- I.E., DUMPSTERS; (OKLAHOMA -- BROWNING & FARRIS)
- (4) LOADING DOCKS -- CCS AND CLEAN TEAM
- (5) CONSTRUCTION AND DEMOLITION SITES (HOUSTON, CCS -- NATIONAL SUBCONTRACTORS ASSOCIATION)

THESE ARE POSITIVE PROGRAMS FOR ELIMINATING LITTER AT ITS SOURCE.

MANDATORY DEPOSIT FORCES USED CONTAINERS BACK THROUGH THE GROCERY STORES, BECAUSE ABOUT 3% OR LESS OF THESE CONTAINERS BECOME LITTER. PROPONENTS OF MANDATORY DEPOSITS IGNORE 90-95% OF THE TOTAL LITTER AND YET CLAIM TO HAVE SOLVED THE LITTER PROBLEM. THE FIRST YEAR COST ESTIMATE IN IOWA FOR MANDATORY DEPOSITS WAS A MINIMUM OF \$20 MILLION; IN MICHIGAN, IN EXCESS OF \$250 MILLION; NEW YORK, \$500 MILLION.

IN MICHIGAN THERE WERE PROMISES OF COST REDUCTIONS AND LITTER REDUCTIONS WITH MANDATORY DEPOSITS, BUT THE FIRST YEAR TOTAL LITTER WAS NOT REDUCED IN MICHIGAN. THE REDUCTION OF BEVERAGE LITTER WAS OFFSET WITH AN INCREASE IN OTHER LITTER.

IF A STATE HAS A LITTER PROBLEM, THE PROBLEM MUST BE APPROACHED ON THE SAME BASIS AS OTHER PROBLEMS. A COST/BENEFIT

ANALYSIS OF DIFFERENT APPROACHES TO SOLVING PART OR ALL OF THE PROBLEM MUST BE CONSIDERED.

FOR EXAMPLE -- IN MICHIGAN -- A YEAR AFTER ENACTING MANDATORY DEPOSIT LEGISLATION -- MICHIGAN INCREASED THEIR BUDGET FOR LITTER CLEAN UP FROM \$1.7 MILLION TO \$2.2 MILLION. BY CONTRAST, THE STATE OF NEBRASKA, WITH THEIR STATE'S LITTER RECYCLING LAW, REDUCED TOTAL LITTER AND BEVERAGE LITTER. THE NEBRASKA DEPARTMENT OF ROADS REPORTED A 45% REDUCTION FOR LITTER PICK UP AND TRASH RECEPTACLE SERVICING (\$338,800 IN 1979 TO \$186,000 IN 1982). SIMILAR LITTER REDUCTION SUCCESSES ARE OCCURRING IN WASHINGTON, VIRGINIA, ALASKA AND HAWAII WITH THE LITTER REDUCTION AND RECYCLING LAW. THE STATE BIRP PROGRAMS IN ARIZONA, KENTUCKY, AND OKLAHOMA ARE PARALLEL SUCCESS STORIES.

POSITIVE APPROACHES COST CONSUMERS AND TAXPAYERS ONLY A FRACTION OF THE COST OF THE MANDATORY DEPOSIT AND PRODUCE FAR BETTER RESULTS.

LET'S TAKE A QUICK LOOK AT WHAT BEVERAGE CONTAINERS REALLY ARE. WHAT IS A BEVERAGE CAN? BEFORE OPENED, IT'S USUALLY NOT THOUGHT OF AS A CAN, IT'S A COKE, A PEPSI, OR A 7-UP. AFTER EMPTIED, THEN IT'S A CAN, IT'S WASTE, IT'S SOMETHING TO BE DISCARDED OR RECYCLED.

MOST PEOPLE TAKE THE PACKAGE FOR GRANTED BECAUSE ITS SUCH A FAMILIAR PART OF OUR LIFE. THEY MAY NOT KNOW THAT ALUMINUM CANS ARE PRODUCE ON HIGH SPEED, ELECTRONICALLY CONTROLLED, PRODUCTION LINES WITH MOST SPECIFICATION TOLERANCES OF 1/100 AND SOME SPECIFICATIONS OF 2-3/10,000TH'S OF AN INCH. AFTER FILLING AND CLOSING THESE CONTAINERS MUST WITHSTAND TREMENDOUS INTERNAL PRESSURES WHEN CARBONATED SOFT DRINKS ARE LEFT IN THE BACK SEAT OF A CAR DURING THE HOT SUMMER DAYS. ALSO, THE EXTERNAL

PRESSURES OF BEER BEING PASTURIZED INSIDE THE CAN AT HIGH TEMPERATURES. THIS PUTS TREMENDOUS STRAIN ON THE CONTAINER STRUCTURE. OUR FOOD CANS FREQUENTLY HAVE THE MEAT, FISH AND OTHER FOODS COOKED IN THE CAN. THESE CONTAINERS ARE STORED IN WAREHOUSES ON PALLETS IN STACKS 20-30 FEET HIGH. THE EXTERNAL PRESSURE FROM THE WEIGHT MUST BE ABSORBED WITHOUT ANY CHANGE IN THE STRUCTURAL INTEGRITY OF THE CONTAINER. THE CAN CANNOT LEAK, BEND, DENT OR REACT IN ANY WAY WITH THE PRODUCT. IT MUST NOT CHANGE THE FLAVOR, COLOR OR CARBONATION OF THE PRODUCT FOR MONTHS OR, IN SOME CASES, YEARS. WHEN EMPTIED, ENVIRONMENTALISTS EXPECT THE CONTAINER TO SELF-DESTRUCT.

IN MANY STATES THE ALUMINUM BEVERAGE CAN IS BEING RECYCLED AT RATES OF 60-70% AND THESE RATES ARE GROWING AND THIS IS WITHOUT MANDATORY DEPOSITS. THIS EQUATES TO USING THE ALUMINUM CAN 6-7 TIMES AND YET IN H.B. 2863, THE ALUMINUM CAN IS NOT CONSIDERED THE SAME AS A GENERIC, REFILLABLE BOTTLE. A 10 CENT DEPOSIT WOULD BE REQUIRED BECAUSE, TECHNICALLY, THE INDIVIDUAL CAN IS NOT REFILLED. THE ALUMINUM IS REPEATEDLY REUSED AND THE METAL IS CERTAINLY GENERIC.

THIS BILL CREATES A NEW HANDLING TAX OF 2¢ PER CONTAINER. THE REAL TAX LEVEL FOR HANDLING AND STORAGE WILL BE TWICE THAT AMOUNT. ON TOP OF THIS, OUR CUSTOMERS WILL ALSO LOSE THE 1-1/2 CENT EACH THAT THEY RECEIVE TODAY FROM RECYCLING THEIR ALUMINUM CANS ~~RECYCLING~~.

PLEASE VOTE NO ON H.B. 2863. LET'S NOT PUNISH EVERYONE FOR THE BAD MANNERS OF A FEW.

Clean Houston, a non-profit organization, has established a program to reduce the 11 million to 15 million pounds of litter generated by Houston construction projects each year. The Clean Builder program goal is to reduce construction litter by 50 percent with the idea that cleaner sites will increase productivity, facilitate construction work, upgrade jobsite safety and increase the salability and leasability of projects.

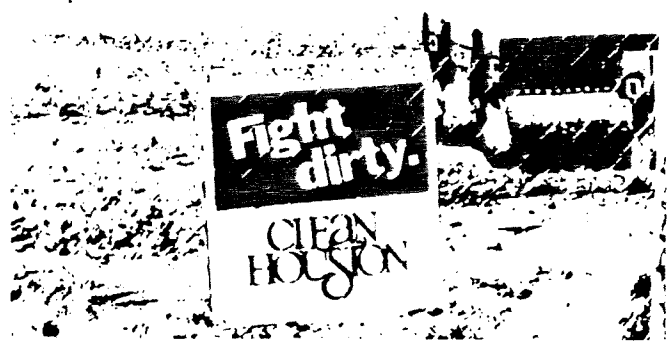
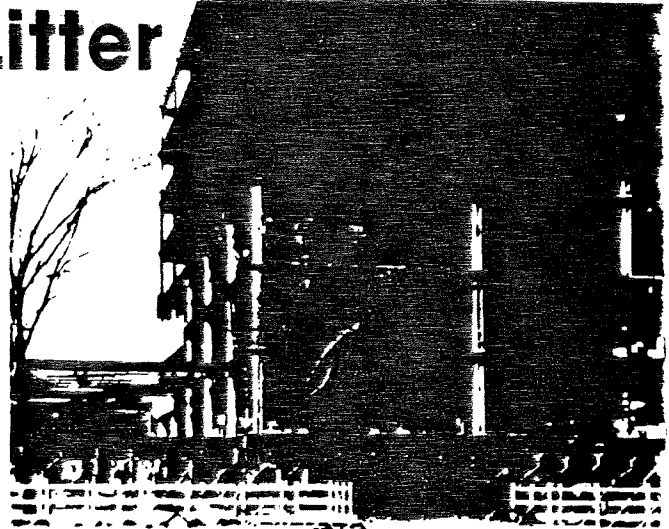
Three pilot projects are under development at this time and the Clean Builder guidelines are in the process of formulation. The Houston chapters of the Associated General Contractors of America, the American Subcontractors Association, the AIA, CSI, the Association of Builders and Contractors as well as a large number of builders and developers, have formally endorsed the Clean Builder program.

CSI Monograph Designation Requested

At this writing, the CSI Houston Chapter has requested designation of a CSI monograph to be written on the subject of jobsite waste management. The following suggestions made by the Clean Houston program propose a concerted ef-

Reducing Litter at the Source

Houston Chapter Endorses Clean Builder Plan



Cleaning Up for A Safer City



Concrete washed off of tools such as these has become a concern.

“Fight Dirty” may be spotted on the Clean Builder logo of the non-profit Houston group, but Lyndon McKnight, president of the CSI Houston chapter, is quite pleased by the cooperative enthusiasm which has marshalled behind the program.

“Houston has experienced an incredible building and remodeling boom in the past few years, maybe that’s why we’re so aware,” McKnight explains. “The program started fairly small but each group that has become involved has been very enthusiastic with very little negative impact.”

McKnight notes that seemingly unrelated groups have joined in with the Clean Builder program, sensing perhaps the common interest of a cleaner safer city.

The original impetus for the Cleaner Builder program came from owners and developers of commercial properties, McKnight says. Though they, ultimately, would bear the additional costs of maintaining a clean jobsite, owners and developers came to realize that a neater jobsite could impress prospective clients and possibly eliminate problems that early occupancy clients experienced as a result of jobsite messiness.

The cause grew beyond these initial concerns how-

fort to be made among architects, owners, contractors, subcontractors suppliers and workers. Their suggestions may prove beneficial to builders in other cities hoping to create cleaner jobsites.

Owners and Developers:

Owners should see that all bidders be made aware of and allow for full compliance with solid waste handling requirements in their bids. The owner/developer, working with the general contractor, should establish litter abatement procedures on the site and monitor their effectiveness. During pre-construction meetings and weekly job meetings, the owner/developer should review the Clean Houston builder guidelines with the general contractor and subcontractors.

General Contractors:

On the jobsite, cleanliness should be maintained by the general contractor who will provide and service an adequate number of trash receptacles for all subcontractors.

Subcontractors:

Any subcontractor failing to clean up his debris prior to the general contractor's cleaning-up and back-charging, shall have written notice sent to the main office. Responsibility for non-identifiable debris and the final jobsite clean up belongs to the general contractor.

Architects:

At the contract stage, the architect should focus the owner/developer's attention on the Clean Builder guidelines

and recommend their inclusion in the contract documents. The architect is further responsible for seeing that the guidelines are properly incorporated into the contract document and for assuring their compliance during construction.

On the job, subcontractors take responsibility for cleaning up their own debris generated both by deliveries and con-

Cleaner sites are expected to increase productivity, facilitate construction work and upgrade jobsite safety.

struction operations and placing it into receptacles provided by the general contractor. Special waste handling requirements should be coordinated with the general contractor.

Suppliers and Vendors:

Suppliers and vendors are responsible for adequate load securing practices to prevent spillage in transit to and from the jobsite and for proper disposal of debris generated by their activities at the site.

Waste Disposal Contractors:

Waste disposal contractors should recommend proper types of containers and educate clients on their best use. They should clean up any spillage that occurs during servicing. Waste shall be properly transported to and disposed of at a licensed sanitary landfill. □

ever, to embrace those in the city involved with water, air pollution, worker safety and efficiency. Simple consideration for those living or working adjacent to construction sites who suffer under the burden of sandblasting or the drifting spray of construction paint settling on their cars, has also become a factor.

The Water Quality Committee of the Houston/Greater Galveston Area Council, for instance, has become interested in chemicals and/or polluting waste produced by such frequent jobsite occurrences as washing concrete off of tools and trucks and the dilute acid that washes off of buildings. When these pollutants enter the sanitary sewers, they provide city water treatment plants with serious contamination.

Houston also has experienced problems with materials blowing off the tops of buildings onto to passersby and traffic, and materials falling off of trucks onto the highway and smashing into car windows.

McKnight has been encouraged by the degree of voluntary participation and says that the program hopes to develop a defined standard of cleanliness which will aid specifiers in their denotations. He envisions a checklist of items which would appear in a monograph form

and would provide the choices available for handling trash, in effect, allowing owners and contractors the chance to set up their own program for their particular project.

In the meantime, McKnight seems to enjoy pointing out that an effort which sprung from an intelligent, although not altogether altruistic intent, has grown into a vigorous program ultimately concerned with protecting the public good. □



MIDDLE ATLANTIC REGIONAL CONFERENCE

October 22 & 23, 1982

Hosts

BALTIMORE CHAPTER

Construction Specifications Institute
2313 St. Paul Street Baltimore, Maryland 21216

WASHINGTON LITTER :1982

A SURVEY OF LITTER AND LITTER REDUCTION TRENDS

PREPARED FOR THE
WASHINGTON STATE DEPARTMENT OF ECOLOGY

By

Daniel B. Syrek

The Institute For Applied Research
840 La Goleta Way Sacramento, California

SUMMARY OF FINDINGS

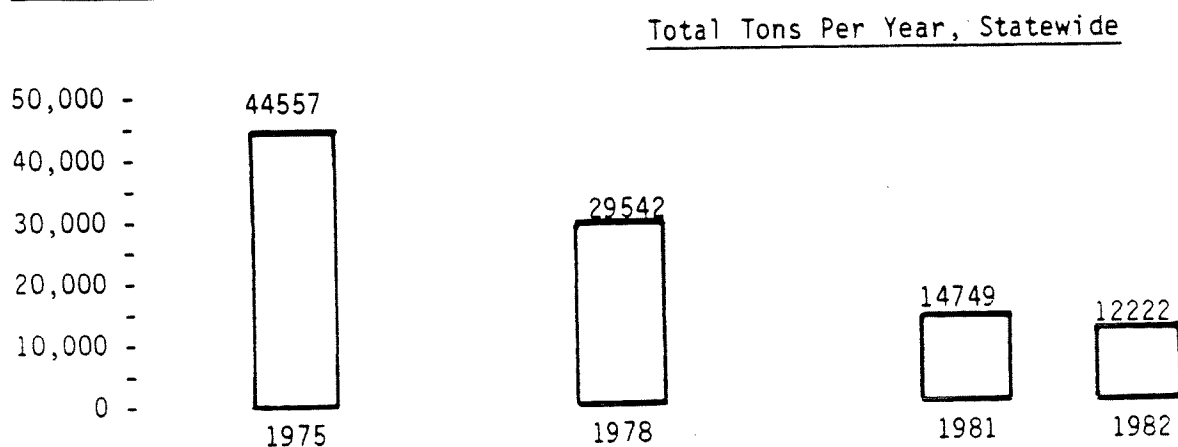
LITTER REDUCTION AT INSTITUTE FOR APPLIED RESEARCH SITES

During the five years since 1977, a statistically significant reduction in freshly generated litter and long term litter accumulation has occurred at 74 sites previously selected and sampled by the Institute for Applied Research :

<u>Measurement Method</u>	<u>% Change 1977 To 1982</u>	<u>Probability That Change is Significant</u>
<u>Fresh Litter</u>		
Items Per Mile Per Week	-48.9%	.999
Square Feet Per Mile-Week	-56.5%	.999
<u>Accumulated Litter</u>		
Items Per Mile	-38.0%	.999
Square Feet Per Mile	-40.2%	.999

LITTER REDUCTION AT DEPARTMENT OF ECOLOGY SITES

During the seven years since 1975, a consistent, statistically significant, 73% reduction in freshly generated litter has occurred at 43 sites selected and monitored by the Department of Ecology:



BEER AND SOFT DRINK CONTAINER REDUCTIONS

At the locales where beer and soft drink containers were also sampled

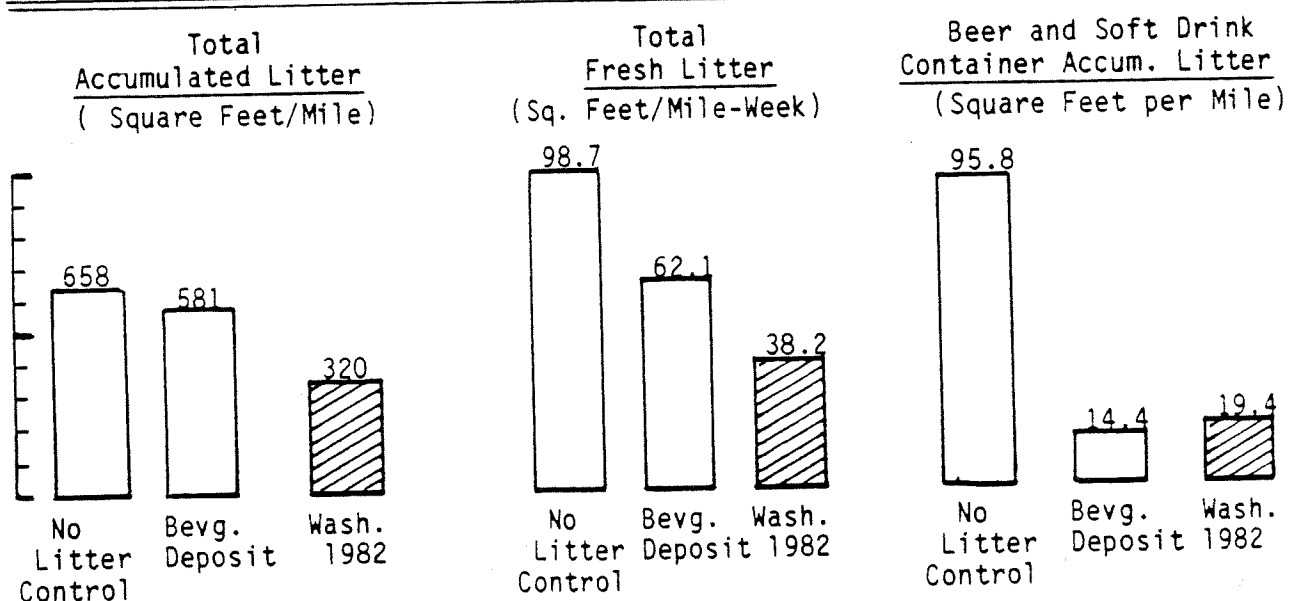
by the Institute in 1977, the reduction of such containers in accumulated litter occurred at a higher rate than that measured for total litter:

<u>Measurement Method</u>	<u>% Change 1977 To 1982</u>	<u>Probability That Change is Significant</u>
<u>Beer & Soft Drink Containers in Accumulated Litter</u>		
Containers Per Mile	-70.6%	.999
Square Feet of Containers/Mile	-69.0%	.999

While statistically significant reductions were detected for beverage containers in accumulated litter, no significant change was measured for the beer & soft drink container component of fresh litter, due possibly to the small sample size and a shift towards sampling in warmer weather. Also, a greater reduction occurred in accumulated litter for cans (-76.9%) and for whole bottles (-77.2%) than for broken bottles (-43.5%).

COMPARISON WITH OTHER STATES SURVEYED

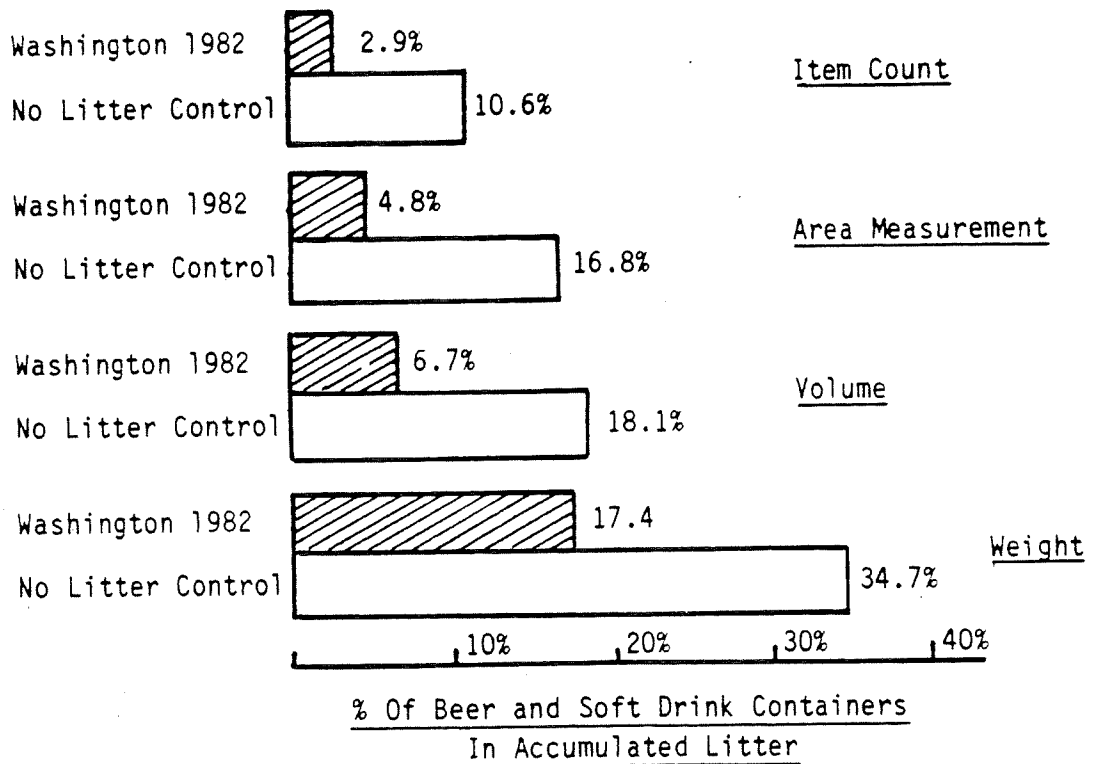
Washington now has the lowest total litter rates of any state surveyed by the Institute. Using the square foot of litter area measurement method, a comparison with five states surveyed without litter control programs in effect shows Washington has markedly lower rates for total fresh litter, total accumulated litter and beer and soft drink accumulated litter:



Washington's current levels are 61% lower for total fresh litter and 85% lower for beer and soft drink container litter. Washington's total litter is also lower than that of deposit legislation states for total fresh and accumulated litter and is almost as low for accumulated beverage litter.

PERCENTAGE OF BEER AND SOFT DRINK CONTAINERS IN LITTER

The percentage of beer and soft drink containers in Washington's litter ranged from 2.9% measured by item count to 17.4% measured by weight. These percentages are now markedly lower than those measured in five states surveyed without litter control programs:



LOST LOAD/ESCAPING MATERIAL LITTER

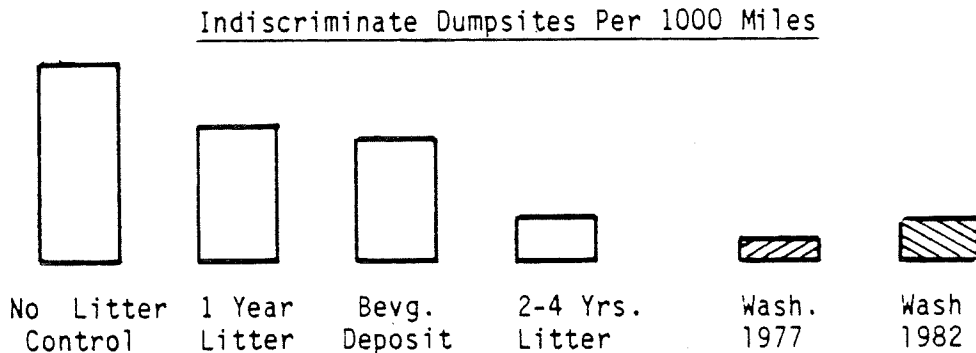
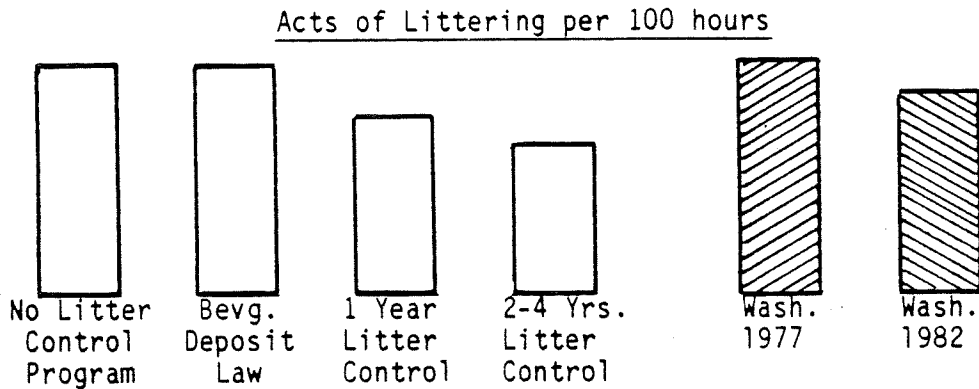
With the significant reductions achieved in beverage container litter as well as lesser reductions in other convenience product packaging, a different type of litter is now assuming a major role in the Washington litter picture. Identified as lost load and escaping material litter, it consists of objects spilled from trash cans, lost from unsecured loads, or blowing out of the

uncovered truck beds.

In 1982, almost 43% of the acts witnessed during the survey were in this category. The type of litter usually seen escaping or being lost - newspapers, advertising, home food packaging, construction material and miscellaneous paper, plastic and metal - now makes up 48% of all fresh litter found in Washington (by estimated area measurement). An even larger percentage, 52%, was found in vacant lots and industrial areas while 62% of all rural road, highway and urban interstate litter was estimated to be in this category.

● ACTS OF LITTERING AND INDISCRIMINATE DUMPSITES

The rate at which our survey crews spotted acts of littering and encountered indiscriminate dumpsites of large amounts of trash decreased between 1977 and 1982. The frequency of observed acts is still above average compared to other surveys, while the rate for illegal dumps is markedly lower.



● ACHIEVEMENTS OF THE LITTER CONTROL AND RECYCLING PROGRAM

The preceding accomplishments in litter reduction were probably the

result of many factors. It is our opinion that the following activities conducted or encouraged by the Department of Ecology contributed strongly to the results achieved:

● RECYCLING

Aluminum recycling is up at least 140% since 1976. Based on data from a partial reporting of recyclers to the litter control program, we estimate at least 60% of all aluminum beverage cans sold in Washington are now being recycled. Glass cullet recycling is up 10% since 1976. Combined with returns of refillable bottles we estimate that at least 50% of all glass beer and soft drink bottles are being recycled thru the recycling centers reporting data to the Washington Litter Control and Recycling Program.

● LITTER LAW ENFORCEMENT

Total citations, warnings and arrests for litter law violations (excluding litterbag) are reported to have increased 34% between 1973 and 1980. If the 10,000 warnings issued in 1980 by the State Department of Parks and Recreation are also included, it means that one out of every 200 persons in Washington was personally reminded of the litter law in that one year.

● LITTER RECEPTACLES

Enforcement of laws requiring litter receptacles at litter source areas were reported increased 219% since 1975. Our own survey found 72% of all service stations inspected in Washington had the required litter receptacle at each pump island. The comparable level averaged only 40% in two other states where similar surveys were conducted. Also, 75% of the randomly selected litter sample sites in commercial areas in Washington

had litter receptacles in them. In three other states recently surveyed, the comparable percentage was 50%.

● RECOMMENDATIONS

The following recommendations are based upon the findings of this survey. They do not take into account any funding or other organizational constraints that may prevent their implementation.

[1] Since accidentally lost loads may be responsible for a third of all litter, encourage step up of enforcement of Sub Section 22 of the Model Litter Control Act which is aimed at controlling unsecured and uncovered loads.

[2] Since escaping material other than loads may cause an additional 10 to 15% of all litter, Amend Sub Section 6 of the Model Litter Control Act to require all loads to be covered and to specifically prohibit placing articles of litter in or on an uncovered truck bed. Educate both law enforcement officials and the public to understand that a pickup truck with a few articles of trash in its truckbed is a significant contributor to the litter problem.

[3] Since roads leading to landfills have litter rates twice as high as other rural roads, they should receive special attention of stepped up litter law enforcement. Also, investigate modifying the Litter Control Act to enable operators of landfills to issue warnings or citations to drivers of improperly covered trucks, or as an alternative, to charge a higher fee to drivers of improperly covered vehicles.

[4] Since there has been a 94% reduction in litterbag law enforcement and 63% drop in litter bag usage, increase enforcement of Sub Section 10 of the Litter Control Act which requires every vehicle and watercraft to have a litterbag. At the same time increase distribution of litter bags and encourage use of more permanent litter buckets in vehicles.

[5] Since 12 products not now taxed as being "reasonably related to the litter problem" each made up more than .1 of a percent of all fresh litter samples, they should be added to Sub Section 13 of the Litter Control Act.

29, 1984

February 29, 1984



Herald American photo by Mike Groerlar

A nickel has meant a lot of troubles for Syracuse store owner Joe Martin. Since the bottle bill went into effect four months ago, Martin has been hassled, at-

tacked and threatened when he has refused to accept some bottles or cans. Finally, he decided to keep a .30-30 hunting rifle behind his counter.

Container law gets mixed reviews

Supermarkets carry the load; small store owners struggle

By Dan McGuire
Staff Writer

The nickel deposit on a glass bottle sometimes isn't worth the hassle to Joseph Martin.

He's a store owner on the South Side of Syracuse who has wrestled on the sidewalk with customers who demanded the 5 cents for a can or bottle that he refused to accept.

"I'd like to go to Albany and tell them how it feels. 'Why don't you come down and fight with these people,'" the owner

of the South Salina Street store said.

"People have pulled knives on me," Martin said. "It's not worth a nickel getting hurt."

So now he usually pays out the nickel, even when he knows he doesn't have to.

New York state's bottle bill, just four months old, was supposed to provide new jobs, recycle glass and metal and substantially reduce the amount of litter on the state's roads.

Long lines

So far, the law's effects are mostly observed in long lines at reclamation

points, like Martin's store, according to many retailers.

"This here," said Martin as he pulled an empty beer can from a large cardboard box at the back of his small grocery store. "is taking my profit and my time and paying me a penny apiece."

He crushed the can, sacrificing 6 cents.

"That's what I think of the nickel law."

Goodbye, Litterbug Hello, CLEAN BUILDER

If you've ever played automotive dodge-'em with a piece of construction debris, then you've had a personal encounter with Houston's building boom. Construction debris falls off trucks onto the freeway, or wafts down to the pavement from the tops of buildings in progress. Nuisance or hazard, Houston's construction litter — an estimated annual total of 11-15 million pounds of it — sends the odd gum wrapper or beer can to the minor leagues.

"Litter is simply a byproduct of the construction industry," concedes John Paul Grunz, director of construction for Moody-Rambin Interests. Grunz puts on another hat: As chairman of Houston's Clean Builder program, he says, "With our new Clean Builder guidelines, our goal is to reduce construction litter by 50 percent and to handle the rest sensibly."

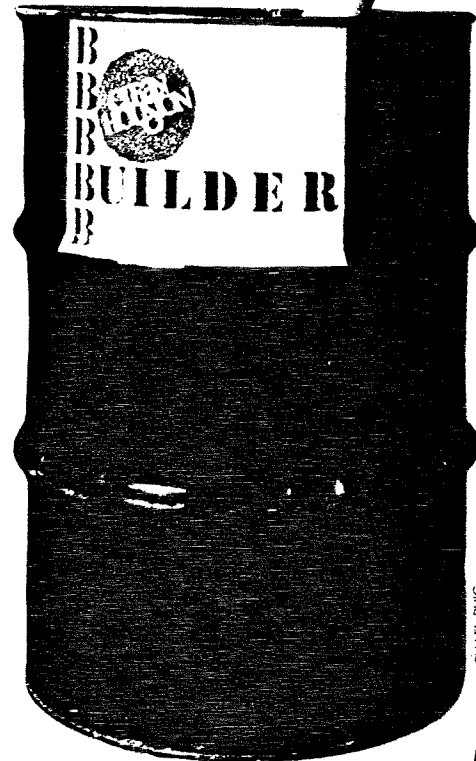
An offshoot of the nonprofit Clean Houston organization, Clean Builder represents a systematic approach to litter abatement. Designed to be incorporated into construction documents, Clean Builder guidelines call for such no-nonsense things as trash barrels on each floor of a building under construction; fenced sites, to forestall blowing debris; tarps or nets on truckloads of debris; and organized cleanup when construction traffic carries mud and debris into nearby streets.

"These are the practical suggestions of people in construction work," says Grunz. "Our guidelines represent the thinking of people in various phases of the industry: owners/developers, architects, contractors and subcontractors, waste-haulers and construction workers." As a result, he says, everyone benefits. How so? Grunz enumerates:

For the owner/developer: "A building that's clean, orderly and free of litter will simply sell better."

For the construction worker: "Falls, traced to someone tripping over debris as he approaches a stairwell, are a major cause of on-site injury. But a clean work site is a safe work site."

For the public: "People who live or work near a construction site won't have to deal with litter. Controlled litter



At the Transco Tower site, construction worker Hal Shell contributes to the Clean Builder program.

MICHAEL PUG

1983 AIA ENVIRONMENTAL IMPROVEMENT AWARDS

In addition to the Clean Builder program, award winners include Rotating Sculpture Exhibition in Allen Center, 711 West Texas Building in Baytown, Medical Center Park, The Development Ordinance, Lanier Middle School Landscape Project, Post Oak Park, Trees for Allen Parkway, Jimmy Martyn Farm, Freedmen's Town Association, Blanche K. Bruce Community Park Project, Operation Plant Rescue and Green Ribbon Committee. — Gretchen Fallon

We investigate complaints and issue compliments about city improvement, beautification and preservation. Write our editors at P.O. Box 25386, Houston, TX 77265.

doesn't become a public nuisance."

Widely endorsed by professionals in the construction industry, Houston's Clean Builder program was a 1983 recipient of the Environmental Improvement Award from the Houston chapter of the American Institute of Architects.

And small wonder. Neither ivory-tower philosophy nor pure altruism, Clean Builder is a program with its feet firmly on the ground. "That's why it works," emphasizes Grunz. "Without public monies or government interference, the construction industry is working to solve an acknowledged problem."

Realty

Area builders complete guidelines for plan to remove litter at sites

Houston builders have completed guidelines for a campaign to remove litter from construction and demolition sites and discourage littering of private property and public streets by contractors, subcontractors, material suppliers, trash haulers and others.

The Clean Builder Program is included in the Clean Houston campaign sponsored by a non-profit group based at 2801 Post Oak Blvd.

The program is aimed at a 50 percent or greater reduction in 11-15 million pounds of litter generated annually by construction projects in Houston.

THE SPONSORS SAY the program will not only contribute to a clean community but will also increase productivity and job safety in the construction industry and help builders and developers sell and lease office buildings and other properties.

The guidelines have been under study and development for two years and are now ready to be used in construction specifications.

They have been tested on the job in southwest and northwest Houston and are also newly revised by the Houston Chapter of the Construction Specifications Institute.

Successful trial runs have been completed at the Ashford VII and Northwest One office buildings developed at 900 Threadneedle and 13110 Northwest Freeway by the Moody-Rambin Interests Inc.

A similar test is continuing at the 64-story Transco Tower nearing completion at Post Oak and West Alabama by the Transco Companies and the Gerald D. Hines Interests.

Developers, builders, city officials and others report an enthusiastic response to the program and also note wide participation by all segments of the construction and development industry.

The guidelines have been endorsed by industry groups such as the Association of General Contractors, American Institute of Architects, American Subcontractors Association, Association of Builders

and Contractors and Construction Specification Institute.

THE GUIDELINES SPELL out the responsibilities of developers, contractors, architects, subcontractors, material suppliers and waste disposal companies and cover everything from litter barrels and trash hauling to licensed sanitary landfills.

A Casino Night and Auction program designed to raise money for the Clean Builder Program and distribute and publicize the guidelines will be held from 7:30 p.m. until midnight Sunday at elan at 1885 St. James Place.

J. Howard Rambin III, Clean Houston commissioner and vice chairman, who is also a partner in Moody-Rambin, is chairman for the event, which will help fund educational and publicity material to be used in the cleanup campaign. The material includes a slide show to help explain the guidelines. The benefit program will also help fund decals for hard hats, logotypes for litter barrels and posters for job sites.

February 29, 1984

TESTIMONY IN OPPOSITION TO HB2863

GOOD AFTERNOON, MR. CHAIRMAN, AND MEMBERS OF THE COMMITTEE.
I AM PAUL DE BAUGE; I AM A BEER DISTRIBUTOR AND SOFT DRINK BOTTLER
IN EMPORIA. OUR COMPANY ALSO OPERATES A BIRP RECYCLING CENTER.

I AM HERE THIS AFTERNOON TO TESTIFY AGAINST FORCED DEPOSIT
LEGISLATION. KANSAS BOTTLERS, BEER WHOLESALERS AND BIRP MEMBERS
BELIEVE IT IS AN INEFFICIENT, EXPENSIVE, AND COSMETIC APPROACH
TO A SERIOUS PROBLEM.

TODAY, THE AMERICAN BEVERAGE MARKET IS A ONE-WAY SYSTEM. CON-
VENIENCE PACKAGING, IN THE FORM OF THE ONE-WAY, NON-RETURNABLE
BOTTLE AND CAN IS THE PREFERRED PACKAGING CHOICE OF CONSUMERS BY A
WIDE MARGIN. THIS IS DUE TO A VARIETY OF FACTORS, BUT PRIMARILY
IT IS DUE TO CONSUMER PREFERENCE.

THE
WE ARE ALL FAMILIAR WITH/STANDARD PROBLEMS OF BUSINESS TRYING
TO MAKE LEGISLATION LIKE HB2863 WORK, SUCH AS BOTTLE MIGRATION
(THE PHENOMENA OF ONE DISTRIBUTOR COLLECTING THE DEPOSIT AND
ANOTHER REDEEMING IT, - WHERE ONE MAN'S WINDFALL IS ANOTHER'S
ECONOMIC DISASTER), "BLACK MARKET" TRAFFIC IN CONTAINERS (WHERE
THE DEPOSIT IS ILLICITLY PRESENTED FOR REDEMPTION MORE THAN ONCE),
THE MANUAL SORTING OF CONTAINERS BY HAND INSTEAD OF IN BULK (AS IS
DONE BY BIRP OUTLETS NOW - WITHOUT REGARD TO BEVERAGE BRAND), AND
THE MIGRATION OF CONSUMERS ACROSS A POLITICAL BOUNDARY TO AVOID
ARTIFICIALLY HIGH PRICED GOODS - WHICH WOULD BE A MAJOR PROBLEM
IN AREAS SUCH AS METRO KANSAS CITY AND SOUTHEAST KANSAS.

Attachment 6
2-29-84

ADDITIONALLY I WOULD LIKE TO POINT OUT ONE OF THE INSIDIOUS WORKINGS OF THIS BILL THAT PROBABLY WENT UNREALIZED OR CONSIDERED BY ITS SPONSORS. SINCE THE DEPOSIT VALUE OF THE CONTAINER IS IMPOSED AT THE POINT OF MANUFACTURE, THE ENTIRE RECYCLE VALUE OF EVERY BEVERAGE CONTAINER SOLD IN KANSAS, BUT MANUFACTURED ELSEWHERE, GOES TO THIS OUT-OF-STATE MANUFACTURER. AS YOU PROBABLY KNOW, KANSAS HAS NO BEER MANUFACTURERS, AND A SIGNIFICANT PORTION OF KANSAS SOFT DRINKS ARE PRODUCED OUTSIDE OUR BOUNDRIES. AS A CONSEQUENCE THAT RECYCLE VALUE - UPON WHICH KANSAS BIRP LOOKS TO FUND THEIR ENTIRE VOLUNTARY RECYCLE SYSTEM IS EXTRACTED FROM KANSAS CITIZENS AND KANSAS BUSINESS AND AWARDED TO THE OUT OF STATE BREWERS AND BOTTLERS WHO INITIATED THE DEPOSIT. ALL UNREDEEMED DEPOSITS WOULD ALSO ACCRUE TO THOSE OUT OF STATE MANUFACTURERS. SURELY SUCH A PUNATIVE RESULT TO KANSAS CONSUMERS AND BUSINESSES WAS NOT INTENDED BY THE FRAMERS OF THIS PIECE OF LEGISLATION.

THE MORE DIRECT COSTS TO THE PUBLIC, BUSINESS, AND GOVERNMENT INCLUDE INCREASED HANDLING COSTS TO RETAILERS AND DISTRIBUTORS, HIGHER GAS AND FLEET COSTS TO DISTRIBUTORS, SALES LOSES, EXCISE AND SALES TAX LOSES, A 4 TO 7 TIMES INCREASE IN THE USE OF WATER IN PRODUCTION FOR REFILLABLES, AND HIGHER RETAIL COSTS TO THE PUBLIC.

TO REPLACE A GROWING RECYCLING BUSINESS, WHERE TECHNOLOGY IS CHANGING THE NAME OF THE GAME CONSTANTLY, WITH AN ARTIFICIAL "STRAIGHT JACKETED" SOLUTION IMPOSED BY GOVERNMENT, THAT CANNOT RESPOND TO EITHER THE MARKET PLACE OR TECHNOLOGY, IS NEITHER IN

THE BEST INTERESTS OF THE KANSAS CONSUMER OR KANSAS BUSINESS.

THE ISSUE OF FORCED DEPOSITS HAS BEEN AROUND FOR ABOUT 13 YEARS. IN THAT TIME, THOUSANDS OF BILLS ADVOCATING FORCED DEPOSITS HAVE BEEN DEBATED, AND THE VAST MAJORITY HAVE BEEN REJECTED. PUBLIC REFERENDA ON THE ISSUE HAVE ALSO BEEN OVERWHELMING AGAINST DEPOSITS. AND YET THE ADVOCATES OF FORCED DEPOSITS CONTINUE TO PRESS THE ISSUE. AND TO WHAT END? EVEN IF A FORCED DEPOSIT SYSTEM WAS ADOPTED, WHETHER IN KANSAS OR IN THE COUNTRY AS A WHOLE, AND IF EVERY CAN AND BOTTLE WAS REFILLABLE OR RECYCLABLE, WHAT WOULD HAPPEN?

BOTTLE AND CAN LITTER AMOUNTS TO ONLY 12% OF THE NATION'S TOTAL URBAN STREET LITTER, LESS THAN 21% OF ALL RURAL HIGHWAY LITTER, AND LESS THAN 6% OF TOTAL SOLID WASTE. SO, IF A FORCED DEPOSIT SYSTEM WERE IN PLACE, AT THE GREAT COSTS I HAVE ALREADY MENTIONED, WHAT WOULD HAPPEN TO THE OTHER 88% OF URBAN LITTER, 79% OF RURAL HIGHWAY LITTER, OR 94% OF SOLID WASTES? NOTHING. PLEASE ACKNOWLEDGE THAT THIS LEGISLATION IS VERY PUNATIVE AND DISCRIMINATORY AGAINST THE ONLY SEGMENT OF THE LITTER ~~PROBLEM~~ **PROBLEM** THAT IS ACTIVELY INVOLVED IN ANY SOLUTION TO IT.

KANSAS INDUSTRY HAS GONE ON THE OFFENSIVE AND DEVELOPED A WORK-ABLE ALTERNATIVE TO DEPOSITS. PRIVATE INDUSTRY SHOULD, AND HAS, TAKEN THE LEAD IN MEETING THE CHALLENGES OF BEVERAGE CONTAINER LITTER AND SOLID WASTE DISPOSAL PROBLEMS. OUR OWN FIRM IS IN ITS 15th YEAR OF REPURCHASING RECYCLABLE BEVERAGE CONTAINERS. WE ARE

DEMONSTRATING, NO, WE ARE PROVING, THAT A VOLUNTEER BEVERAGE CONTAINER RECYCLING PROGRAM IS ECONOMICALLY FEASIBLE AND CAN BE OPERATED ON A CONTINUOUS BASIS WITHOUT GOVERNMENT SUBSIDIES AND WITHOUT INCREASED COST TO THE PUBLIC. ALTHOUGH OUR RECYCLING ACTIVITIES BEGAN AS MEETING A SOCIAL RESPONSIBILITY THEY NOW CONTRIBUTE AS A MONEY MAKING PART OF OUR BUSINESS AND THUS ENABLES US TO CONTINUE TO EXPAND OUR RECYCLING ACTIVITIES. THE NEW "BIRP" FORMAT WILL BE AN ADDITIONAL SIGNIFICANT IMPROVEMENT IN OUR PROGRAM, NOW THAT WE WILL HAVE A MARKETING ARM - A UNIFIED VOICE - TO SELL RECYCLING TO THE PUBLIC.

"BIRP" PROVIDES US A MECHANISM TO:

1. REDUCE LITTER AND SOLID WASTE DISPOSAL COSTS
2. DEVELOP AND IMPROVE MARKETS FOR RECYCLED MATERIALS
3. EDUCATE THE PUBLIC ABOUT THE VALUES OF A LITTERLESS ETHIC

... ALL IN A FREE ENTERPRISE FORMAT WHICH WILL NOT REDUCE BEVERAGE SALES, WILL NOT REDUCE TAX REVENUE TO THE STATE, WILL NOT COST THE PUBLIC MONEY IN TERMS OF HIGHER PRICES, AND WHERE WE WILL MAKE A RETURN ON OUR INVESTMENT AND TIME EXPENDED. SOUNDS TOO GOOD TO BE TRUE? NOT SO! KANSAS "BIRP" AND CONTAINER RECYCLING IS WORKING -- DON'T FIX IT!

WITH LITERALLY DOZENS OF BOTTLE BILLS BEING DEFEATED IN LEGISLATURES AND REFERENDUMS ANNUALLY IT IS INTERESTING TO SEE HOW SOME OF THE EARLY PROPONENTS OF THIS TYPE OF LEGISLATION NOW SEE THE ISSUE.

REPRESENTATIVE MORRIS UDHALL, A FORMER BOTTLE BILL ADVOCATE NOW REJECTS THE BOTTLE BILL AS "NOT ACCOMPLISHING ANYTHING MEANINGFUL" AND INSTEAD SUPPORTS A COMPREHENSIVE APPROACH TO THE PROBLEM. SENATOR GAYLORD NELSON, THE FOUNDER OF EARTH DAY, SAYS THIS APPROACH IS "TUNNEL VISIONED" AND NOW SEEKS A MORE COMPREHENSIVE TOTAL PROGRAM. IOWA SENATOR NORMAN RODGERS, AN EARLY PROPONENT OF THE BILL THERE, HEADED THE MOVEMENT FOR REPEAL.

HONEST MEN ARE DISAGREEING ON THIS ISSUE IN KANSAS AND IN OTHER STATES. THERE HAS BEEN LEGISLATIVE AND BUSINESS INTEREST IN SOLVING THE PROBLEMS CAUSED BY CONVENIENCE PACKAGING, LITTER, AND SOLID WASTE FOR BETTER THAN 10 YEARS. THE RECORD SHOWS THAT THE BEVERAGE INDUSTRY AND THE PUBLIC IN KANSAS, IN A VOLUNTARY, RESPONSIBLE, FREE ENTERPRISE APPROACH IS ACHIEVING A RAPID EXPANSION OF VOLUNTARY RECYCLING ACTIVITIES, AND IS PROGRESSIVELY SHOWING BETTER RESULTS, YEAR AFTER YEAR, AND DOING SO IN A MANNER THAT IS PROVIDING A SIGNIFICANT INCOME BASE FOR MANY GROUPS AND INDIVIDUAL RECYCLERS WHILE HAVING VIRTUALLY NO DISRUPTIVE SIDE EFFECTS ON PRODUCTION OR DISTRIBUTION, OR IN HIGHER PRICES TO THE PUBLIC.

BEVERAGE CONTAINER RECYCLING IS WORKING IN KANSAS, IT IS GROWING, IT IS HEALTHY, AND IT IS COST EFFECTIVE. DON'T KILL IT WITH A SYSTEM THAT IS BOTH ANTI-CONSUMER AND ANTI-BUSINESS.

THANK YOU.

SEVEN-UP BOTTLING CO. OF TOPEKA, INC.

BOTTLERS OF



Squirt - Diet-Rite Cola - Frostie - Nehi Flavors

STATEMENT BEFORE THE HOUSE ENERGY AND NATURAL RESOURCES
COMMITTEE FEBRUARY 29, 1984.

MY NAME IS BOB SUTTON, PRESIDENT OF THE KANSAS SOFT DRINK
ASSOCIATION, AND VICE-PRESIDENT OF THE SEVEN UP BOTTLING COMPANY
OF TOPEKA.

THE KANSAS SOFT DRINK ASSOCIATION AND I, AS PART OWNER OF OUR
FAMILY'S BUSINESS IN TOPEKA, ARE OPPOSED TO HB 2863, BECAUSE OF THE
TIME, ENERGY, AND ADDITIONAL COST REQUIRED BY US, OUR CUSTOMERS,
AND THE CONSUMERS TO MEET THE CRITERIA OF THIS PROPOSED LEGISLATION.

IN THE SHORT AMOUNT OF TIME THAT I HAVE TO SPEAK, I WILL TRY
TO POINT OUT MANY OF THE SHORT AND LONG TERM PROBLEMS THAT WILL FACE
THE CONSUMERS AND BUSINESS PEOPLE OF THE STATE OF KANSAS.

FORCED DEPOSIT LAWS DO NOT WORK AND THEY COST THE CONSUMER,
OUR CUSTOMERS, FAR TOO MUCH FOR WHAT LITTLE THEY ACCOMPLISH.

THERE ARE FOUR MAJOR ISSUES THAT NEED TO BE ADDRESSED IN
DISCUSSING FORCED DEPOSIT LAWS. THEY ARE;

1. RESOURCES AND ENERGY
2. SALES AND TAX AFFECTS
3. LITTER
4. COST TO CONSUMERS

Attachment 7
2-29-84

ITEM #1 RESOURCES AND ENERGY

THE ROUTING OF THIS MATERIAL BACK THROUGH THE BEVERAGE DISTRIBUTION SYSTEM JUST DOESN'T MAKE GOOD SENSE. THE MORE PRACTICAL WAY IS TODAY'S VOLUNTARY RECYCLING CENTERS THAT HAVE ALREADY BEEN ESTABLISHED BY THE PRIVATE SECTOR OR THAT CAN BE ESTABLISHED THROUGH THE PROFIT MOTIVATED SYSTEM. THE BIRP SYSTEM IN KANSAS ALREADY HAS TEN CENTERS OPEN AND IS A GOOD EXAMPLE OF THIS.

ONE RESOURCE THAT IS SELDOM MENTIONED WITH RESPECT TO FORCED DEPOSITS IS WATER. IT CAN TAKE UP TO 60 GALLONS OF WATER TO CLEAN A CASE OF REFILLABLE GLASS BOTTLES. (NSDA) FIFTEEN TIMES MORE THAN IT TAKES TO CLEAN A CASE OF CANS.

OREGON - PACIFIC COCA COLA COMPANY REPORTED IN MAY 1979 ALMOST EXACTLY TWICE AS MUCH GASOLINE REQUIRED FOR ITS OREGON DEPOSIT LAW DIVISION VERSUS ITS WASHINGTON NON-DEPOSIT LAW DIVISION.

IN OREGON IT TOOK 94 GALLONS OF GASOLINE PER 1000 CASES DELIVERED VERSUS ITS WASHINGTON FACILITY USING ONLY 47.4 GALLONS OF GASOLINE PER 1000 CASES DELIVERED. (GASOLINE CONSUMPTION, MANDATORY DEPOSIT LEGISLATION, PACIFIC COCA COLA COMPANY, MAY 1979).

MICHIGAN - BOTTLERS REPORT 32% INCREASE IN GASOLINE CONSUMPTION. (MICHIGAN ENERGY STUDY, CAN MANUFACTURERS, INSTITUTE, SEPTEMBER, 1979).

ITEM #2 SALES AND TAX EFFECTS

AS FAR AS LOST REVENUE TO THE STATES THAT HAVE FORCED DEPOSIT LAWS, CONSIDER THE FOLLOWING:

MICHIGAN - REPORTS 22% DROP IN SOFT DRINK SALES. (MICHIGAN FOOD DEALERS ASSOC., 1979).

MASSACHUSETTS - LIQUOR TAX REVENUES WERE DOWN EVERY MONTH FROM MARCH TO JUNE IN ITS FIRST YEAR OF OPERATION, DROPPING NEARLY \$1,000,000.00 ABOUT 13% IN APRIL ALONE. (NEW YORK, DAILY NEWS, SEPTEMBER 7, 1983).

OTHER STATES HAVE ALSO REPORTED SIMILAR SALES DECLINES AS CAN BE SEEN ON THE INCLUDED CHART.

IN REVIEWING WHAT HAS HAPPENED TO SALES IN FORCED DEPOSIT LAW STATES WE CAN ESTIMATE THAT IN KANSAS WE WOULD LOSE APPROXIMATELY 10% OF OUR SALES IN THE FIRST YEAR. THAT WOULD BE ROUGHLY 2½ MILLION CASES OF SOFT DRINKS. WE CAN ALSO ASSUME THAT BEER SALES WOULD BE DOWN A SIMILAR AMOUNT. OBVIOUSLY, DECLINING SALES COUPLED WITH INCREASED OPERATING EXPENSES, RESULTS IN LOWER PROFITS, WHICH MEANS LESS STATE INCOME TAXES, AS WELL AS A REDUCTION IN SALES TAX COLLECTIONS.

ITEM #3 LITTER

FORCED DEPOSIT LAWS AS THEY RELATE TO LITTER, ADDRESS ONLY A SMALL PORTION OF OUR ENTIRE LITTER PROBLEM. BEVERAGE CONTAINERS REPRESENT SOMEWHERE BETWEEN 12% TO 17% OF TOTAL LITTER, DEPENDING ON WHERE THE STUDY IS BEING DONE.(BY PIECECOUNT.)

IN FORCED DEPOSIT STATES TOTAL LITTER EXPERIENCES VARY. IN OREGON AFTER 5 YEARS ITS DOWN ONLY 3% FROM PRE LAW LEVELS, (LITTER REDUCTION EFFECTIVENESS, INSTITUTE FOR APPLIED RESEARCH).

IN MICHIGAN A SPECIAL LEGISLATIVE COMMITTEE STUDYING THE LAW FOUND THAT WHILE BEVERAGE LITTER WAS REDUCED, NON BEVERAGE LITTER INCREASED 37% DURING THE LAW'S FIRST YEAR AND TOTAL LITTER MAY HAVE GROWN AS MUCH AS 10%. (MICHIGAN LITTER, AFTER, INSTITUTE FOR APPLIED RESEARCH FOR STATE OF MICHIGAN, 1980).

IN VERMONT LITTER HAS BEEN REDUCED ONLY 14.6% AFTER TWO YEARS (BEVERAGE CONTAINERS, THE VERMONT EXPERIENCE, U.S. EPA (SW139) 1975).

IN MAINE AFTER ONE YEAR LITTER INCREASED 5% (ROADSIDE LITTER SURVEY, MAINE DEPARTMENT OF TRANSPORTATION, OCTOBER, 1979).

OREGONS FIRST YEAR ROAD SIDE CLEAN UP EXPENDITURES WENT UP 10.7% TO ADDRESS THE PROBLEM OF THE MORE THAN 80% OF LITTER NOT TOUCHED BY FORCED DEPOSITS. (APPLIED DECISIONS SYSTEMS STUDY).

MICHIGAN'S OFFICIAL LITTER STUDY ANTICIPATED A PICK UP COST REDUCTION OF 3.8%, THE STATES LITTER CONTROL BUDGET ACTUALLY GREW FROM 1.7 MILLION DOLLARS BEFORE THE LAW TOOK EFFECT TO 2.2 MILLION DOLLARS TWO YEARS LATER , A 30% JUMP. BASICALLY BECAUSE LITTER CREWS STILL HAVE TO TRAVEL THE SAME DISTANCES TO PICK UP THE REMAINING AMOUNTS OF LITTER. (HIGHWAY MAINTENANCE DIVISION, MICHIGAN DEPARTMENT OF NATURAL RESOURCES, 1981).

IF YOU STOP AND THINK ABOUT IT, THE NUMBER OF CONTAINERS THAT ARE IMPROPERLY DISPOSED OF IS A VERY SMALL PART OF THE TOTAL NUMBER OF CONTAINERS SOLD. MOST BEVERAGES ARE CONSUMED IN THE HOME AND THEIR CONTAINERS PROPERLY DISCARDED. DRINKS CONSUMED AWAY FROM HOME ARE NOT ALL CONSUMED IN AUTOMOBILES, AND THOSE THAT ARE, THEIR CONTAINERS ARE NOT ALL THROWN OUT THE WINDOW. THE ANSWER TO LITTER IS NOT TO IMPOSE AN ECONOMIC INJUSTICE ON EVERY CONSUMER IN THE STATE, BECAUSE OF THE ACTIONS OF A FEW INDIVIDUALS. WHAT WE NEED TO DO IS ATTACK THE ROOT OF THE LITTER PROBLEM THAT BEING, THOSE PEOPLE THAT HABITUALLY LITTER. WE WITNESSED A FILM ABOUT NEW YORK, WHICH SHOWED PEOPLE THROWING TRASH OUT OF TRASH CANS TRYING TO FIND CANS WITH DEPOSITS ON THEM. THUS, CREATING MORE LITTER.

MAYBE THIS EXPLAINS WHY IN THE LAST GENERAL ELECTION, VOTERS IN CALIFORNIA, ARIZONA, COLORADO, AND WASHINGTON VOTED DOWN PROPOSALS ON MANDATORY DEPOSITS LAWS, AS THEY WERE IN FAVOR OF PROGRAMS THAT WOULD ADDRESS THE ENTIRE LITTER PROBLEM, SUCH AS THE BIRP PROGRAM THAT IS ALREADY IN PLACE IN KANSAS.

THE ONLY THING THE FORCED DEPOSIT LAW IS GUARANTEED TO DO IS INCREASE THE COST OF QUENCHING YOUR THIRST.

THE FORCED DEPOSIT BILL IS ONE OF THOSE PIECES OF LEGISLATION THAT IS UNASSAILABLE IN PRINCIPLE, BUT UNWORKABLE IN REALITY. IT IS BASED ON THE PREMISE THAT IF PURCHASERS ARE REQUIRED TO PAY A DEPOSIT ON A CONTAINER, THEY WILL THINK TWICE OR EVEN THREE TIMES BEFORE THEY TOSS IT OUT OF A CAR WINDOW, OR LEAVE IT ALONG THE SHORES OF OUR LAKES.

THAT'S FINE AS FAR AS IT GOES, BUT THE SLOBS FOR WHOM LITTERING IS SECOND NATURE WILL STILL MANAGE TO FOUL OUR NEST WITH STYROFOAM, PAPER, CARDBOARD, AND ANY OTHER TRASH THEY MAY WISH TO GET RID OF. (THE EVENING PRESS, BINGHAMPTON, NEW YORK, SEPTEMBER 9, 1983).

THE LAST ISSUE, BUT CERTAINLY NOT THE LEAST, IS THE FACT THAT FORCED DEPOSIT LAWS HAVE INCREASED THE PRICE OF BEER AND SOFT DRINKS TO CONSUMERS EVERYWHERE EVERY TIME BOTTLE BILLS HAVE BECOME LAW. (CAN MANUFACTURES INSTITUTE). THE PRICE OF A SIX-PACK TYPICALLY INCREASES AS MUCH AS 30¢ PLUS DEPOSIT. (THE ARIZONA REPUBLIC, SEPTEMBER 20, 1981).

ACCORDING TO THE WALL STREET JOURNAL, THE PRICE OF A SIX-PACK OF BEER IN MAINE INCREASED FROM \$1.80 TO \$2.20 (40¢) PLUS DEPOSIT - A HIKE OF 22% IN REAL COST ALONE AND A 38% INCREASE COUNTING THE DEPOSIT. (WALL STREET JOURNAL, JULY 27, 1978).

IN MICHIGAN, THE DETROIT NEWS REPORTED THAT, NOT COUNTING THE DEPOSIT, THE AVERAGE PRICE FOR A SIX-PACK OF BEER JUMPED 25% SINCE THE STATE'S BOTTLE BILL BECAME EFFECTIVE IN 1978. (THE DETROIT NEWS, NOVEMBER 27, 1981). MICHIGAN BEER PRICES HAVE BEEN FOUND TO BE AS MUCH AS 75% HIGHER THAN COMPARABLE BRANDS IN NEIGHBORING STATES. PRICES FOR SOFT DRINKS HAVE ALSO INCREASED DRAMATICALLY IN MICHIGAN. A 1982 STUDY FOUND THAT THE PRICE OF A SIX-PACK OF CANS WAS 28% HIGHER THAN THE NATIONAL AVERAGE. (LIVING WITH A STATE DEPOSIT LAW, STUART GILLER, INTERNATIONAL BEVERAGE INDUSTRY EXPO, NOVEMBER 30, 1982).

SIMILAR PRICE INCREASES HAVE INCURRED IN CONNECTICUT, MAINE, VERMONT, IOWA, AND OREGON. ALL STATES WITH FORCED DEPOSIT LAWS.

THESE INCREASED PRICES ARE THE DIRECT RESULT OF SIGNIFICANTLY INCREASED HANDLING COSTS - AT ALL POINTS IN THE BEVERAGE DISTRIBUTION SYSTEM. DEPOSIT LAW PROPONENTS WHO PROMISE LOWER PRICES REFUSE TO RECOGNIZE THAT A WELL - OILED, ONE WAY BEVERAGE DISTRIBUTION SYSTEM CANNOT CHANGE WITHOUT INCURRING SIZEABLE INITIAL AND RECURRING COSTS.

AS MILLIONS OF EMPTY CONTAINERS COME BACK TO THEM, GROCERS IN EVERY DEPOSIT STATE MUST HIRE NEW CAN AND BOTTLE SORTERS, PURCHASE NEW EQUIPMENT, USE BADLY NEEDED SPACE TO STORE EMPTIES, AND SPEND ADDITIONAL MONEY FOR SANITATION. BEER WHOLESALERS AND SOFT DRINK BOTTLERS MUST BUY TRUCKS, HIRE ADDITIONAL DRIVERS AND BUILD MORE WAREHOUSE SPACE.

THESE INCREASED COSTS FOR RETAILERS AND WHOLESALERS TOGETHER CERTAINLY AMOUNT TO AT LEAST \$1.00 A CASE. (CAN MANUFACTURES INSTITUTE SEPTEMBER 1983). NOT TO MENTION THE 48¢ PER CASE MANDATTED IN HB 2863.

IT HAS BEEN ESTIMATED THAT THE TOTAL COST TO THE MICHIGAN ECONOMY IN, 1979 ALONE, TO BE SOME \$250 MILLION - 125 TIMES AS MUCH AS MICHIGAN SPENT ON ALL LITTER CONTROL IN 1978. (STORY QUOTING ASSOCIATED FOOD DEALERS OF MICHIGAN OFFICIAL, LANSING STATE JOURNAL, 1979).

WHAT EFFECT WOULD THIS FORCED DEPOSIT BILL HAVE ON THE COST OF SOFT DRINKS IN KANSAS? I HAVE ESTIMATED THAT IT WOULD COST THE KANSAS CONSUMERS APPROXIMATELY \$33 MILLION DOLLARS MORE FOR SOFT DRINKS ALONE - EXCLUDING DEPOSITS! (BASED ON SALES OF 25.5 MILLION CASES, 2¢ DIRECT HANDLING FEE PER CONTAINER, (AS WRITTEN IN BILL), 50¢-60¢ PER CASE COST INCREASES IN ACTUAL HANDLING, DISTRIBUTING, AND SORTING EXPENSES BY WHOLESALER, AND 50¢ - 60¢ INCREASED COST BY THE RETAILERS (50% OF THE RETAIL). IN ADDITION THE CONSUMER WILL BE PAYING OUT APPROXIMATELY \$51 MILLION DOLLARS IN DEPOSITS. (BASED ON 78% SALES IN 24 CONTAINER CASES AND 22% IN 6 CONTAINER CASES). THESE DEPOSIT DOLLARS WOULD NOT BE DRAWING INTEREST OR AVAILABLE FOR INVESTMENTS, THEY WOULD JUST BE MOVING AROUND IN A CIRCLE.

PLEASE KEEP IN MIND THAT THESE FIGURES ARE FOR SOFT DRINKS ONLY - THE BEER NUMBERS I AM SURE, WOULD BE EQUALLY LARGE AND DISTURBING.

THE KANSAS SOFT DRINK BOTTLERS STRONGLY BELIEVE THAT THE MOST COST EFFECTIVE SOLUTION TO LITTER AND RESOURCE RECOVERY, AS IT RELATES TO BEVERAGE CONTAINERS, IS BEST BEING HANDLED WITH THE CURRENT "BEVERAGE INDUSTRY RECYCLING PROGRAM" (BIRP).

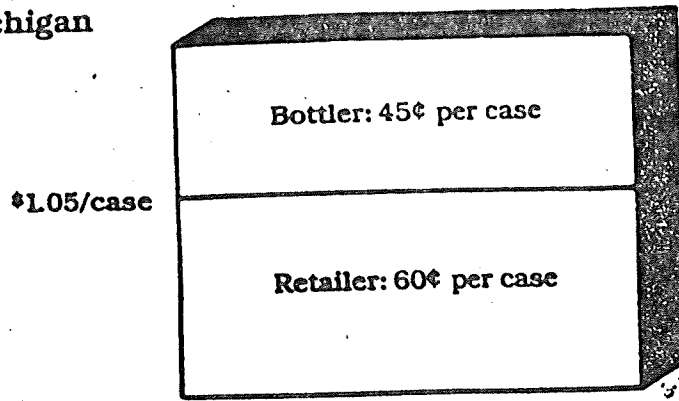
AS YOU HAVE HEARD CHIQUITA CORNELIUS DESCRIBE, THIS SYSTEM IS WORKING AND WILL WORK WITHOUT COSTLY EXPENSES AND GOVERNMENT INTERVENTION. WE NEED TO GIVE IT A CHANCE.

WE STRONGLY BELIEVE THAT THE LITTER PROBLEM IN TOTAL, IS NOT BEING PROPERLY ADDRESSED BY THIS BILL. THE LITTLE BENEFITS THAT MIGHT BE REALIZED BY FORCED DEPOSITS NO WHERE MATCH THE CONFUSION, DISRUPTION, AND EXCESSIVELY HIGHER COSTS THAT WOULD RESULT FROM THIS DISCRIMINATORY LEGISLATION.

THANK YOU VERY MUCH

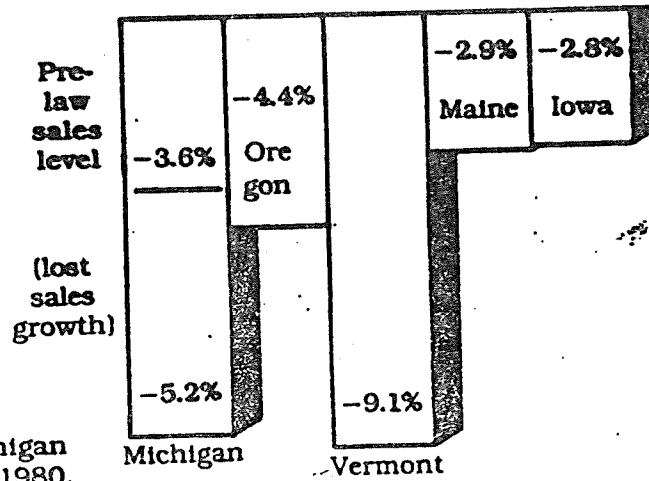
A handwritten signature in black ink, appearing to read "Rob Luter". The signature is written in a cursive style with a long, sweeping horizontal line extending to the right.

Figure 3-12
Compliance Costs in Michigan



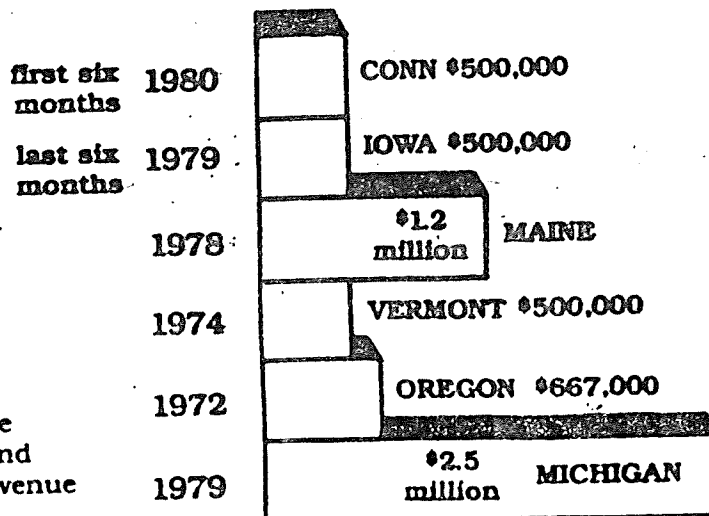
Source: Pepsi-Cola Michigan.

Figure 3-13
Sales Losses in
Deposit States



Source: First Year Report, Michigan legislative committee, 1980.

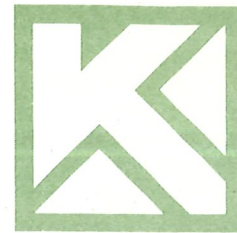
Figure 3-15
Tax Losses in
Deposit States



Source: Michigan legislative committee, Iowa and Connecticut tax revenue departments.

LEGISLATIVE TESTIMONY

Kansas Chamber of Commerce and Industry



500 First National Tower One Townsite Plaza Topeka, KS 66603-3460 (913) 357-6321

A consolidation of the
Kansas State Chamber
of Commerce,
Associated Industries
of Kansas,
Kansas Retail Council

KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the

HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES

HB 2863

March 1, 1984

Mr. Chairman and Members of the Committee:

My name is Bud Grant and I appear here today on behalf of the Kansas Chamber of Commerce and Industry to voice our opposition to House Bill 2863.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 3,000 businesses plus 215 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 55% of KCCI's members having less than 25 employees, and 86% having less than 100 employees.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

According to the Institute for Applied Research, litter is "an article of man-made or man-transported solid waste that has been deposited or disposed of in an improper manner."

Attachment 8
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Approximately 200 separate items have been identified as part of this litter stream. On the national average, paper and paper products account for more than 60%, metal about 14%, glass bottles and jars about 5%, plastic about 7%, and everything else about 10%. The miscellaneous items range from food and hub caps to old shoes.

Only a small portion of all beverage containers are improperly discarded. Market research indicates that more than 93% of canned beverages are consumed indoors or on private property, and thus not candidates for litter. Of the remaining containers, many are consumed under controlled conditions like ball parks, and many others are disposed of properly. It is the remaining small percentage, placed between one and four percent, that is littered.

Oregon, Vermont, Maine, Michigan, Iowa, Connecticut, and Delaware have laws which place a deposit on beverage containers. The goal is to provide an incentive for people to bring back their empty containers for a refund, in hopes of reducing litter. However, the Stanford Research Institute found, "mandatory deposit legislation on containers will not alleviate present or potential litter problems because such containers are too small a portion of litter accumulation in most areas."

Right or wrong? In Oregon, where the nation's first deposit law has been in effect since October, 1972, the state's own official litter study showed that roadside litter was reduced by only 10.6% a year after the law took effect. Urban residential litter was reduced by a mere 1%. A later study found a reduction of just 3% after five years.

In Vermont litter was reduced by only 14.6% two years after its law took effect in July of 1973. Perhaps the best before and after study has been done in Michigan, the first urban industrial state to experiment with deposits. A special legislative committee studying the law found that, while beverage litter was reduced, non-beverage litter increased 37% during the law's first year and total litter may have grown by as much as 10%.

What impact would a deposit law have on jobs? According to the U.S. Department of Commerce, if a national deposit law were enacted, 82,000 skilled and semi-skilled jobs in the can and glass manufacturing industries would be eliminated - jobs whose average annual wage in 1981 was \$21,000 plus benefits. This forecast of jobs lost is consistent with what's happened in states such as Michigan and Connecticut, which have experienced significant reductions in jobs related to the beverage industry since enactment of their deposit laws.

Mandatory deposit laws have increased the price of beer and soft drinks. In both Oregon and Vermont, beverage prices went up after deposit laws took effect. According to the Wall Street Journal, the price of a 6-pack of beer in Maine increased from \$1.80 to \$2.20 plus 30¢ deposit - a hike of 22% in cost alone and a 38% increase counting the deposit.

Michigan's experience is quite similar. The Detroit News reports that, not counting the deposit, the average price for a 6-pack of beer has jumped 25% since the state's bottle bill became effective in 1978. This puts Michigan's beer price up to 75% higher than comparable brands in neighboring states.

Because of the increase in prices, the sale of beer and soft drinks has been reduced. In Michigan, in the law's first year, statewide sales of beer declined by 3.6%. If you count the 1.6% annual growth rate Michigan had enjoyed the previous five years, total 1979 sales actually declined by 5.2%. During 1980, beer sales declined by an additional 1.2%, not counting lost growth.

The millions of dollars of lost sales in Michigan, in 1979 alone, were not just the result of price-conscious people buying less, but also of many Michigan residents slipping into neighboring states to buy cheaper, non-deposit beverages. "Michigan's killing itself," observed an elated Indiana grocer in 1979. "We've got people coming in here and buying 10 or more cases. They say they're taking orders from the neighborhood."

Mandatory deposit laws are on their way out, as recent referenda in Ohio, Washington State, and Montana indicate and, since January 1979 more than 30 deposit bills have failed to be enacted in dozens of state legislatures. The reasons? (1) Deposit laws barely touch total litter, (2) they affect solid waste even less, (3) they produce unemployment in the skilled sector, (4) they raise costs and, therefore, beverage prices, (5) they hurt sales and cut state and federal tax revenue, (6) they squander oil and preserve abundant coal.

It's time to look to better and more effective solutions to litter and solid waste. We urge your unfavorable recommendation on House Bill 2863.

TESTIMONY OF GEORGE LAKE

COCA-COLA BOTTLING COMPANY OF MID-AMERICA
LENEXA, KANSAS

RE: HB 2863

I AM A RESIDENT OF OVERLAND PARK, KANSAS; THEREFORE, AM NOT ONLY A BOTTLER, BUT A VERY CONCERNED CITIZEN OF KANSAS. MY COMMENTS ARE LIMITED TO THOSE WHICH WOULD CAUSE SEVERE HARDSHIPS ON BOTTLERS AND KANSAS CONSUMERS AS A RESULT OF A FORCED DEPOSIT BILL, ESPECIALLY IN SERVICE AREAS SPLIT BY A STATE LINE AS WE EXPERIENCE IN THE KANSAS CITY AREA.

BOTTLERS OPERATING ON THE STATE LINE WILL FACE ADDED COSTS DUE TO:

- DUPLICATE INVENTORIES TO BE PRODUCED AND STORED.
- FINANCING OF SUCH EXCESS STOCKS OF MERCHANDISE.
- OVERSTOCKS AND OUT-OF-STOCKS DUE TO OUR INABILITY TO INTERCHANGE DEPOSIT AND NON-DEPOSIT PRODUCT.
- NEW SPACE NEEDED NOT JUST FOR DUAL INVENTORY, BUT ALSO FOR RETURNS OF ALL PACKAGES TO THE DISTRIBUTION POINT.

*Attachment 9
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FROM EXPERIENCE IN IOWA, A MINIMAL INCREASE OF 20% IN OPERATIONAL COSTS WILL OCCUR WITH FORCED DEPOSIT -- WHICH COST IS PASSED ON TO THE CONSUMER. THE CONSUMER AS A RESULT OF FORCED DEPOSITS WOULD BE BURDENED WITH THE ADDITIONAL UNDUE TAXATION OF THE 2¢ HANDLING FEE PROPOSED IN KANSAS.

FOR EXAMPLE, a 6PAK OF ALUMINUM CANS NOW RETAILING TO SHOPPERS AT \$2.19 WOULD INCREASE TO \$2.63 AS A RESULT OF INCREASED COSTS, AND ANOTHER 12¢, OR NOW \$2.75, AS WE ADD THE HANDLING. THE KANSAS CONSUMER WOULD BE TREATED UNFAIRLY DUE TO THE FORCED DEPOSIT BILL. THIS IS AN ESTIMATE OF WHAT WOULD OCCUR IN A RETAIL PRICE SITUATION.

IN ADDITION TO THIS 25% RETAIL PRICE INCREASE, BORDER-LINE KANSAS CONSUMERS WOULD LOSE OUT ON SPECIAL FEATURE PRICES SINCE GROCERY RETAILERS WOULD BE RELUCTANT TO FEATURE SOFT DRINKS BECAUSE OF THE EXTRA HANDLING AND OTHER COSTS NOW INCURRED. FOR EXAMPLE, IN THE 6PAK CAN EXAMPLE, FEATURE PRICE COULD GO 30 TO 40¢ UNDER THE \$2.19 EXAMPLE, BUT KANSAS CONSUMERS WILL MISS THIS SAVINGS -- UNLESS THEY GO TO MISSOURI TO SHOP.

PAGE 3

WHAT WILL HAPPEN, AND IT HAS HAPPENED ON BORDERS OF FORCED DEPOSIT STATES, IS THAT WE WILL BE SENDING MORE OF OUR RESIDENTS ACROSS THE LINE TO SHOP, WHERE PRICES WILL BE BETTER EVERYDAY, WHERE FEATURES WILL BE ACCEPTABLE, WHERE THERE IS NO HANDLING CHARGE -- AND MISSOURI WILL BENEFIT TREMENDOUSLY -- KANSAS WILL LOSE OUT. TO GIVE YOU AN EXAMPLE, AT OUR QUAD CITIES OPERATION, WE DID 60% OF OUR SALES VOLUME IN IOWA, AND 40% IN ILLINOIS BEFORE IOWA ENACTED A FORCED DEPOSIT BILL. IN ONE YEAR, THE VOLUME SWITCHED -- NOW 60% IN ILLINOIS AND 40% IN IOWA.

LET'S CARRY THIS EXAMPLE TO OUR BORDER COUNTIES OF JOHNSON, LEAVENWORTH, MIAMI AND WYANDOTTE. WE SERVE 3,185 ACCOUNTS WHO SELL APPROXIMATELY 2,000,000 CASES OF OUR PRODUCTS AT THIS TIME. IF 1/3 OF THE VOLUME SHIFTS TO MISSOURI, AS IN THE QUAD CITIES EXAMPLE, 660,000 OF THESE CASES WOULD GO ACROSS THE BORDER, \$4,620,000 AT RETAIL. THESE SALES WOULD BE LOST BY OUR RETAILERS, AND THERE WOULD BE A LOSS OF \$184,800 IN SALES TAX TO THE STATE. PROJECT THE LOSS TO ALL SOFT DRINKS AND ADD BEER, AND KANSAS WILL HAVE LOST AN ESTIMATED \$1,500,000 IN SALES TAX, NOT TO MENTION THE BURDENS PLACED ON GROCERS AND OTHER RETAILERS -- BUT ALSO ON THE CONSUMER, THE KANSAS RESIDENT. MANY

PAGE 4

BORDERLINE KANSANS ARE NOW CROSSING THE LINE TO BUY THEIR LIQUOR AND TO VISIT RESTAURANTS DUE TO OUR KANSAS LAWS. WE CERTAINLY DON'T WANT TO SEND MORE OF OUR RESIDENTS ACROSS THE LINE TO PURCHASE SOFT DRINKS AND BEER.

YOU HAVE HEARD MR. SUTTON'S TESTIMONY WHICH COVERED THE MAJOR ISSUES INVOLVED IN THE BILL, AND ALL THESE APPLY TO THE BORDERLINE, TOO. WE ARE ADDRESSING THE PROBLEM OF LITTER WITH OUR RECYCLING EFFORTS, AND WILL CONTINUE TO DO SO. THE FORCED DEPOSIT BILL PROPOSED IS AN UNFAIR BURDEN TO PLACE ON OUR KANSAS CONSUMERS, AND EVEN MORE SO ON THE BORDERLINES. HB 2863 IS A BAD DEAL FOR US, THE BOTTLER -- BUT A MUCH WORSE BURDEN ON OUR KANSAS RESIDENTS.

Mr. Chairman and Members of the Committee:

My name is Al Ward. I own Taco Casa here in Topeka and I represent the Kansas Restaurant Association, a statewide organization of food service operators.

I appear in opposition to H.B. 2863 which would require a mandatory deposit on beverage containers.

We feel the provisions in the bill would be costly to comply with and be very difficult to administer.

We are particularly concerned with the drive-in segment of our business where a customer would be expected to consume the beverage on the premises but then decide to leave the premises.

We believe many of our customers would prefer to not patronize our establishments rather than go thru the deposit-redemption routine or in the case of alternative choices along our borders, might just patronize the other state.

We believe the mandatory deposit bill would increase the costs of our products to our customers.

We also believe that where our operators become redemption centers this will be a very unsanitary operation and one which there may not be space for.

We realize the bill says we may refuse to redeem the container if it is not clean but that decision may be difficult to make and not very hospitable.

We believe the solution to the litter problem is to strengthen or enforce the litter laws we now have.

We urge your committee to report H.B. 2863 unfavorable.

Attachment 10
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