



**House
Legislative
Analysis
Section**

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DEGRADABLE PACKAGING CONTAINERS

House Bill 4882 (Substitute H-1)
First Analysis (6-7-89)

RECEIVED

Sponsor: Rep. Ken Sikkema

Committee: Conservation, Recreation, and Environment
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THE APPARENT PROBLEM:

Public Act 145 of 1988 was enacted to address environmental concerns regarding the entrapment of fish, birds and other animals by plastic container holding devices constructed in the shape of rings. The act prohibits the sale of holding devices constructed of plastic unless the devices are degradable and bear a symbol registered with the Department of Natural Resources indicating degradability. The act was to become effective June 7, 1989. However, the major producer of degradable plastic connectors for glass bottles, Owens-Illinois, decided last week to delay production of its degradable plastic connector because the connector may degrade before the product that it connects is sold. The company felt that it could be liable for injuries incurred by consumers if its connectors degraded too quickly and a consumer was injured while picking a product from a retailer's shelf. The decision to delay production of the connectors has disrupted the daily business of the retailers and distributors of several bottled products because Owens-Illinois controls 90 percent of the U.S. production of degradable plastic connectors for bottled glass containers. Most glass bottled containers with connectors, including certain Ocean-Spray, Original New York Seltzer, Coca-Cola, and 7-Up glass bottled containers, will have to be pulled from the shelves of retailers until Owens-Illinois develops a suitable degradable device. Removal of these glass bottled products could have disastrous effects on small retailers who must order products several months in advance, because they may not be able to get replacement products in a timely fashion. Legislation has been proposed to extend the effective date of the act.

THE CONTENT OF THE BILL:

The bill would amend the degradable container connector act to extend the act's effective date from June 7, 1989 to October 7, 1989.

MCL 445.582

FISCAL IMPLICATIONS:

Fiscal information is not available. (6-6-89)

ARGUMENTS:

For:

An extension of the effective date of the act is the only logical solution to the problem detailed above. If the effective date is not extended, several corporations will be unfairly penalized by the removal of their product from retailers' shelves because of the container connector used to connect their product. In addition, small retailers will be negatively affected because they will be left with empty shelf space for some time while waiting for the next shipment of glass bottled products. The extension will give Owens-Illinois the time needed to develop a connector, and will help manufacturers, retailers and distributors avoid a difficult situation.

Against:

Several corporations that have developed degradable container connectors, including Illinois Tool Works, Inc., and Grip-Pak, Inc., have done so within the time constraints established by the act. Owens-Illinois had a year to develop a container connector that would be effective for the shelf life of products using its connector, just as other corporations had a year to develop a degradable connector. It is not fair to provide an extension for one corporation, when several others developed connectors within a timely manner.

Response: Owens-Illinois did develop a container connector that passed tests given by the Department of Natural Resources for degradability within the one year period provided for by the act. However, the company did not know that the connector would degrade as quickly as it does in a natural environment. It is unfair and unrealistic to expect to penalize several retailers, distributors, and corporations by requiring the removal of certain products, particularly when the development of a replacement connector is only a few months away.

POSITIONS:

The Michigan Grocers Association supports the concept of the bill. (6-6-89)

The Michigan Soft Drink Association supports the bill. (6-6-89)

Owens-Illinois supports the bill. (6-6-89)

The Spartan Stores, Inc. support the bill. (6-6-89)

H.B. 4882 (6-7-89)