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ACTION
Remarks by Mr. Sasser

THE SOFT DRINK BOTTLING INDUSTRY

● Mr. SASSER. Mr. President, today I am pleased to cosponsor S. 598, the Soft Drink Interbrand Competition Act, which is designed to protect the competitive nature of the soft drink bottling industry.

The recent decision of the Federal Trade Commission with respect to the legality of territorial licenses has important implications for the soft drink industry. The right of a small soft drink bottler to market his product depends in large part on his right to maintain exclusive territoriality for distribution. Thus, the FTC decision not only has the potential to destroy the relationship between the small bottler and larger, parent companies, but it could also destroy the basis for the keen competitive spirit which pervades the soft drink industry.

This legislation is also important for keeping the cost of soft drinks at reasonable prices. In the last 38 years, the average price per ounce of soft drink has increased only 2.6 percent, compared to 344 percent in the Consumer Price Index for the same period. The FTC action would facilitate the takeover of small bottlers by the larger, national companies, thereby opening the way for price increases more consistent with the Consumer Price Index.

S. 598 will also play a major role in protecting the existence of the most economical and ecologically sound soft drink package ever to appear—the returnable bottle. As major bottlers take over the industry, assuming the FTC decision would stand, returnables could cease to exist. S. 598 will prevent such action, maintaining the substantial price savings of returnables over disposable cans.

Finally, and perhaps most important, S. 598 will protect the small soft drink bottlers of our Nation. In my own State of Tennessee, there are 60 soft drink bottling operations. Thirty-two of those are single plant operations. Thirty-eight employ between 1 and 49 persons. The small bottler and the benefits of his operations are important to Tennessee, as I am sure they are throughout the Nation.

Mr. President, I am cosponsoring S. 598 because of implications it has for protecting the competitive structure of the soft drink industry, because it will maintain low costs and environmentally safe packages for the consumer, and because it will insure the continued viability of small soft drink bottlers. I am pleased to join Senator BAYH and my colleagues in full support of the Soft Drink Interbrand Competition Act.●