



**American
Forest & Paper
Association**

Office of the President

September 5, 2014

The Honorable Edmund G. Brown, Jr.
Governor of California
State Capitol Building
Sacramento, California 95814

Position: Oppose

Location: Governor's Desk

Re: Senate Bill 270 Solid waste: single-use carryout bags (As Amended 8/21/14)

Dear Governor Brown:

On behalf of the American Forest & Paper Association (AF&PA)ⁱ, representing an industry with more than 22,000 employees at over 480 paper manufacturing facilities with an annual payroll exceeding \$1.6 billion in California, I am writing to oppose SB 270, legislation that would ban single-use plastic bags and impose a 10 cent minimum tax and postconsumer recycled content criteria on paper bags. **We respectfully request that the Governor veto SB 270 because it imposes a tax on consumers for choosing a sustainable product. Paper bags are the only carryout bags that are renewable, compostable, and widely accepted for recycling at curbside.**

The Legislature refused to consider any amendments that would have addressed our concerns. The most recent amendments to SB 270 do not adequately limit retailers' discretion to charge consumers a tax far in excess of the actual cost of providing a paper bag. The amendments purport to limit retailers' use of tax proceeds to costs of compliance, actual costs of bags, or costs associated with educational materials encouraging reusable bags, with no enforcement or compliance mechanism to protect consumers and ensure retailer compliance with the amendments. The cost of bags is already built into retailers' prices and, in the past, retailers have proposed to recover reconfiguration of bagging areas, warehousing, and staff training as "costs of compliance." In fact, the mandated tax will disproportionately benefit large corporate retailers who purchase bags in large volumes at a lower cost per bag. Without a strong oversight mechanism, there is nothing to stop those retailers from profiting from the windfall at the expense of consumers. The amendments do nothing to protect California consumers.

This tax will be regressive, increasing the cost of basic necessities for low-income citizens who are dependent on public transit and cannot be expected to bring reusable bags every time they go to a retailer. These consumers cannot afford to pay an additional tax on bags while they struggle to cover the increasing cost of basic

necessities, and need a packaging option to protect their food purchases from damage and contamination.

Paper bags are a renewable, recyclable, compostable, and sustainable packaging option, and consumers should not be forced to pay a penalty to benefit retailers. In fact, many retailers that cater specifically to environmentally-conscious consumers have already transitioned to offering only paper and reusable bags. Not only are paper bags made from recycled paper, they are highly recycled themselves and are a fixture in community recycling programs throughout the state and the rest of the country. In fact, California residents frequently use paper bags as their containers when recycling other paper products such as newspapers, magazines, envelopes, juice and milk cartons, and printer paper—all items that are accepted at the curb in the state. According to the U.S. Environmental Protection Agency, the paper bag boasts a national recycling rate of nearly 50 percent. More than 60 percent of paper consumed in the U.S. has been recovered for recycling in each of the last four years.

Paper remains the only bag option that is commonly accepted for recycling at curbside in California. It makes no sense for California to discriminate against the paper bag, a product that is convenient to recycle and has a track record of actual recovery, in favor of a new, thicker plastic bag with more limited acceptance in recycling programs and is thus more likely to end up in a landfill.

For the reasons stated above, AF&PA respectfully opposes SB 270 and requests that the Governor veto SB 270. If you have any questions, please contact our legislative advocate, Kathryn Lynch, at (916) 443-0202 or lynch@lynchlobby.com.

Sincerely,



Donna Harman
President and CEO

cc: Ms. Graciela Castillo-Krings, Deputy Legislative Secretary, Governor's Office
Ms. Kathryn Lynch, Legislative Advocate
American Forest & Paper Association

¹ AF&PA serves to advance a sustainable U.S. pulp, paper, packaging, and wood products manufacturing industry through fact-based public policy and marketplace advocacy. AF&PA member companies make products essential for everyday life from renewable and recyclable resources and are committed to continuous improvement through the industry's sustainability initiative - *Better Practices, Better Planet 2020*. The forest products industry accounts for approximately 4 percent of the total U.S. manufacturing GDP, manufactures approximately \$210 billion in products annually, and employs nearly 900,000 men and women. The industry meets a payroll of approximately \$50 billion annually and is among the top 10 manufacturing sector employers in 47 states. Visit AF&PA online at www.afandpa.org or follow us on Twitter @ForestandPaper. In California, the industry employs more than 22,000 individuals and has over 480 paper manufacturing facilities.