



April 28, 2014

The Honorable Alex Padilla
California State Senate
State Capitol Building
Sacramento, California 95814

Position: Oppose Unless Amended

Location: Assembly Natural Resources Committee

Re: Senate Bill 270 Solid waste: single-use carryout bags (As Amended 3/27/14)

Dear Senator Padilla:

On behalf of the American Forest & Paper Association (AF&PA)ⁱ, I am writing to express concerns about 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 oppose this bill and urge you to amend this legislation to remove mandated taxes and postconsumer recycled content criteria on paper bags.**

Some groups in California have been advocating that a tax on paper should accompany a plastic ban, and that the proceeds of that tax should go to the retailer, in order to offset the cost of more expensive paper bags. Such arguments, however, ignore the fact that paper bags, on average, hold about three times as many items as a plastic bag. In fact, the savings derived from eliminating plastic bags cost more than offset any additional costs that the retailer may incur while transitioning to paper. The end result of a plastic bag ban is a net gain for the retailer, and that is realized without a new tax on paper. SB 270 would set a 10 cent floor on the bag tax, but would not limit the power of a retailer to charge a tax far in excess of the actual cost of a bag.

This tax will be regressive, increasing the cost of basic necessities for low-income citizens who are dependent on public transit and cannot practically expect 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 recyclable and sustainable packaging option for consumers who need a carryout bag. 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

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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 three years – and exceeded 65 percent in 2012.

SB 270 unfairly imposes more stringent requirements on paper bags than competing thick plastic or textile bags. In fact, paper is the only bag option that is commonly accepted for recycling at curbside in California. Additionally, plastic reusable bags are held to a lower standard for postconsumer recycled content, a minimum of 20 percent postconsumer recycled content after July 1, 2016, and a minimum of 40 percent postconsumer recycled content after July 1, 2020. It makes no sense for California to discriminate against paper bags, a product that is convenient to recycle and with a track record of actual recovery, in favor of a new product 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 in its current form. We encourage you to avoid measures that penalize paper and, as always, we stand ready to assist you and offer our expertise as a resource as you continue the dialogue on this important issue. If you have any questions, please contact our legislative advocate, Kathryn Lynch, at (916) 443-0202 or lynch@lynchlobby.com.

Sincerely,



Elizabeth Bartheld
Vice President, Government Affairs

cc: Ms. Graciela Castillo-Krings, Deputy Legislative Secretary, Governor's Office
Ms. Elizabeth MacMillan, Consultant, Assembly Natural Resources Committee
Mr. John Kennedy, Policy Consultant, Assembly Republican Caucus
Ms. Kathryn Lynch, Legislative Advocate
American Forest & Paper Association

ⁱ 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 54,000 individuals and has over 480 paper manufacturing facilities.