



March 20, 2013

The Honorable Lois Wolk
California State Senate
State Capitol Building
Sacramento, California 95814

Position: Oppose Unless Amended

Location: Senate Natural Resources Committee

Re: Senate Bill 700 and Fees on Paper Bags

On behalf of the American Forest & Paper Association (AF&PA)¹, I am writing to express concerns about S.B. 700, legislation that would impose a fee on paper bags offered at retail. **We respectfully oppose this bill and urge you to amend this legislation to remove mandated fees on paper bags.**

AF&PA is active on this issue in states and localities across the country. We consistently advocate that paper should be excluded from measures to tax or ban retail bags on grounds that they wrongfully penalize our product—a commodity that is highly recycled, recyclable, compostable, and renewable. We feel strongly that imposing a 5 cent tax on paper bags is unwarranted. The paper bag is a recycling success story. The typical paper bag offered at retail locations are highly recycled and are a key fixture within community recycling programs throughout California. In fact, California residents frequently use paper bags as their containers when recycling other paper products such as newspapers, magazines, paperboard boxes, envelopes, and printer paper. The paper bag is also compostable as evidenced by the fact that paper bags are used throughout California for municipal leaf mulching and food waste composting programs. Paper bags are made from a natural fiber, so they are biodegradable, making them ideal for composting applications. According to the U.S. Environmental Protection Agency, the paper bag boasts a national recycling rate of almost 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 – exceeding 66 percent in 2011.

The legislation as currently drafted would have little, if any, effect on current retailer or consumer behavior. The vast majority of retail bags used are plastic, and an equal fee on plastic and paper will not force consumers or retailers from using plastic. Retailers typically default to the use of plastic bags because one plastic carryout bag is cheaper on a per-bag comparison, despite the fact that a single paper carryout bag can accommodate more items—three times more than a plastic bag. If this bill were enacted, it is likely that plastics would continue to be the default for consumers and retailers.

Despite the tremendous progress that has already been made, the paper industry has no intention of resting on its laurels. In March 2011 we announced a new, voluntary industry fiber recovery goal to exceed 70 percent by 2020. This goal is part of the most extensive set of quantifiable sustainability goals set by a major U.S. manufacturing industry. *Better Practices, Better Planet 2020* - AF&PA's sustainability initiative - is a proactive commitment to the long-term success of our industry, our communities, our environment and the nearly 900,000 men and women who make the paper and wood products vital to the lives of people around the world.

The six goals targeted within Better Practices focus on increasing paper recovery for recycling, improving energy efficiency, reducing greenhouse gas emissions, promoting sustainable forestry practices, improving workplace safety and reducing water use.

The environmental preference of paper is intuitive. The paper bag is made from a renewable resource – managed forests – that provides habitat for animals and removes large amounts of carbon dioxide from air we breathe. Today the U.S. has 20 percent more trees than it did on the first Earth Day celebration more than 40 years ago. One-third of the U.S. is forested - 751 million acres. Privately owned forests supply 91 percent of the wood harvested in the U.S.

For the reasons stated above, AF&PA respectfully opposes S.B. 700 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,



Cathy Foley
Group Vice President

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 4.5 percent of the total U.S. manufacturing GDP, manufactures approximately \$190 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. In California, the industry employs more than 54,000 individuals and has over 480 paper manufacturing facilities.