



March 5, 2013

The Honorable Mary Goloff
City of Chico
PO Box 3420
Chico, CA 95927

Dear Mayor Goloff:

The Renewable Bag Councilⁱ (RBC) appreciates the opportunity to share our perspective on the City's efforts to develop a policy for retail check out bags. The RBC 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 believe that paper is not part of the problem the draft ordinance is trying to solve and charging residents of Chico a fee for using a product that has "walked the talk" on environmental stewardship is misguided. 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, Chico 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. According to the U.S. Environmental Protection Agency, the paper bag boasts a national recycling rate of almost 50 percent. In 2011, 66.8 percent of the paper and paper-based packaging used in the U.S. was recovered for recycling.

We are also concerned that the draft ordinance defines "recycled paper bag" by specifying that each bag contain 40 percent "post consumer" recycled content. The problem with the post consumer qualifier is that it is a distinction without a difference in our view and only serves to draw attention away from the important fact that materials from every step in the paper production process are being reused instead of being placed in a landfill. All of the material that our industry counts as recycled is post-industrial but all of it may not be post consumer—printer waste and converter scrap for instance. If we did not use these materials, they have the potential to be landfilled. We are particularly concerned that a limited definition of "recycled" needlessly excludes a key segment of the recovered paper marketplace. This will result in making production of our bags more difficult without any environmental benefit.

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Some groups in California have been advocating that a fee on paper should accompany a plastics ban in order to offset retailer costs. Surveys that we have conducted show very clearly that eliminating plastic bags removes a considerable front end cost for the retailer. In fact, the savings derived from eliminating plastic bag costs from their profit and loss statements more than offsets any additional costs that the retailer may incur while transitioning to paper. The end result of a plastic bag ban is a sizable net gain for the retailer, and that is realized without a fee on paper. Another important fact to note is that many retailers in California have already transitioned away from plastic bags and are offering customers recycled paper bags and reusable products. They transitioned out of plastic before bans were imposed because of the obvious environmental benefits and, based on our survey results, are likely concluding that it was a sound business decision from a cost perspective as well. And finally, retailers are purchasing fewer bags overall as the capacity of a single paper bag equals that of three plastic bags.

The Renewable Bag Council respectfully requests that the City Council be mindful of the many positive environmental attributes of the paper bag as it crafts a bag policy for the City. In light of the environmental performance of our product and the commitment of our industry to paper recovery and recycling, we believe that efforts to tax or impose other restrictions on paper bags as a means to reduce litter are misguided and could have negative, unintended consequences. 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.

Contact: Patrick Rita
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cc:
Vice Mayor Scott Gruendl
Councilmember Sean Morgan
Councilmember Tami Ritter
Councilmember Ann Schwab
Councilmember Mark Sorensen
Councilmember Randall Stone

The Renewable Bag Council is comprised of manufacturers and converters of renewable, recycled, recyclable, and compostable Kraft paper used for checkout bags at grocery and retail outlets throughout California and across the United States. The RBC is affiliated with the American Forest & Paper Association (AF&PA). AF&PA is the national trade association for the forest products industry, representing pulp, paper, packaging and wood products manufacturers, and forest landowners. Our companies make products essential for everyday life from renewable and recyclable resources that sustain the environment. 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 51,100 individuals and has over 480 paper manufacturing facilities.