



**AF&PA Statement on
S. 205 (Hartwell)
An Act Relating to Disposable Plastic Carryout Bags**

February 27, 2014

The American Forest & Paper Association (AF&PA) and the Renewable Bag Councilⁱ (RBC), appreciate the opportunity to share our perspective on legislation under consideration by the Vermont Senate Committee on Natural Resources and Energy, S. 205, which would impose a 10 cent tax on both paper and plastic retail checkout bags. AF&PA and the RBC are active on this issue in states and localities across the country. We believe that paper should be excluded from measures to tax retail bags on grounds that they wrongfully penalize our product—a commodity that is highly recycled, recyclable, compostable, and renewable. **We respectfully oppose this bill and urge you to amend it to remove mandated fees on paper bags.**

AF&PA is the national trade association for the forest products industry, representing pulp, paper, packaging, and wood products manufacturers, and forest landowners. In Vermont, our industry operates 14 facilities and employs more than 3,000 individuals with an annual payroll over \$160 million. The estimated state and local taxes paid by the forest products industry totals \$15 million annually.

Imposing an equal fee on paper and plastic will not change most retailers' current preference for 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. If this bill were enacted, it is likely that plastics would continue to be the default for customers. The bag fees present additional revenue for retailers on the already strained budgets of their customers.

Offering bags free of charge at the point of purchase is a natural part of customer service. Many services are included in the price of the goods consumers already buy: rent, electricity, insurance, employee wages. It makes no sense to impose a fee on customers for a paper bag to transport those same goods home. Once there is an obligation to pay fees for bags, those fees are likely to increase over time.

Furthermore, we submit to the Committee that the legislation should be considered in terms of the impact on low income citizens of Vermont. The absence of an exclusion for participants in financial assistance programs will have a detrimental impact on those participants and merits further consideration. This fee will be highly regressive, increasing the cost of basic necessities for low-income citizens who travel on public transit and cannot practically expect to bring reusable bags every time they go to a retailer.

Simply stated, the paper bag is a recycling success story. 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, Vermont 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 three years—and exceeded 65 percent in 2012.

From a raw material perspective, paper bags are made from a renewable resource. The paper bag is made from a renewable resource—managed forests—that provides habitat for animals and removes large amounts of carbon dioxide from the 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.

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, Better Planet 2020* 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.

We respectfully request that the Committee be mindful of the many positive environmental attributes of the paper bag as it discusses a bag policy for the state. 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 paper bags as a means to reduce litter are misguided and could have negative unintended consequences.

We encourage the Committee to avoid measures that penalize paper and, as always, we stand ready to assist you and offer our expertise as a resource as you begin to shape policy on this important issue.

For additional information, please contact Abigail Turner, Manager of State Government Affairs, AF&PA at (202) 463-2596 or abigail_turner@afandpa.org.

ⁱ The Renewable Bag Council (RBC) is comprised of manufacturers and converters of renewable, recycled, recyclable, and compostable Kraft paper used for checkout bags at grocery and retail outlets throughout Washington and across the United States. The RBC is affiliated with the American Forest & Paper Association (AF&PA) the national trade association of the forest products industry, representing pulp, paper, packaging and wood products manufacturers, and forest landowners. Visit the RBC online at www.renewablebag.org or follow us on Twitter @[renewablebag](https://twitter.com/renewablebag).