



December 12, 2011

Honorable Jan Perry  
Chair, Energy & Environment Committee  
Los Angeles City Council  
c/o City Clerk, Room 395  
City Hall, 200 North Spring Street  
Los Angeles, CA 90012-4801

RE: December 13, 2011 Hearing  
OPPOSE - Agenda Item 4, File Item 11-1531 (Koretz-Krekorian)  
Adoption of a Policy to Ban Single-Use Bags in the City of Los Angeles

Dear Chairwoman Perry:

On behalf of the California Grocers Association, I urge you not to pass File Item 11-1531, relating to single-use carryout bags. While our association is not opposed to regulation in this arena per se, the approach currently proposed in the City of Los Angeles will lead to significant burdens for Los Angeles residents and for local businesses.

The California Grocers Association is a non-profit, statewide trade association representing the retail food industry since 1898. CGA represents approximately 500 retail member companies, many of which do business in Los Angeles. Collectively our members operate more than 6,000 retail food stores in California. Those outlets represent the breadth of diversity of California's retail food industry and include traditional supermarkets, convenience stores, wholesale merchandisers, and independent supermarkets. CGA represents many of the grocery companies operating in the City of Los Angeles.

Dozens of jurisdictions across California have regulated or are in the process of regulating single-use carryout bags. Those successful efforts generally involve a ban on single-use plastic bags and a charge on specified single-use paper bags. At this time, the City of Los Angeles would be an anomaly if it chose to adopt a ban on all single-use bags, and that would put Los Angeles businesses and residents at a significant disadvantage. The approach taken in other jurisdictions is one that has included robust stakeholder participation and in the end embodies broad consensus on the issue. It is important to note that such a model has become the standard in California. Following what has proven to be an effective and workable approach elsewhere helps increase consistency for businesses with store locations in multiple jurisdictions and for California's very mobile consumers.

A ban on making both plastic and paper bags available at checkout severely limits consumers' options to transport their purchased goods. Essentially, consumers will only have the option to either bring a reusable bag or purchase a reusable paper bag. Recent data from the City of San Francisco Office of the Controller has determined the average cost of a new reusable bag is \$1.15. By banning both plastic and paper bags at checkout consumers would only have the option of spending more than \$1.00 if they need an additional bag to transport their merchandise. Several dozen California jurisdictions to date have determined that allowing recyclable paper bags for a charge, at an average of 10-cents, provides consumers who need additional carryout bags a low-cost option to transport their goods while still encouraging reusable bag use. The economic effect of only allowing reusable bags for purchase (\$1.00 per bag) instead of an option to receive a recyclable paper bag for a charge (\$0.10 per bag) will result in a 900% cost increase for consumers.

Consumers with the sole option of spending over \$1.00 on a new reusable bag will limit the amount and size of goods purchased and could discourage consumers from making unplanned purchases. This will severely impact grocery store sales which currently operate on less than 1% profit margins. Numerous Los Angeles County jurisdictions which neighbor the City of Los Angeles have passed carryout bag ordinances that allow consumers the option to purchase recycled paper bags for 10-cents. If the City of Los Angeles chooses to only allow reusable bags as an option consumers will make the choice to shop outside of the city to avoid a 900% increase if they require an additional carryout bag to transport their purchases. This creates a substantial disadvantage for retailers operating in the City of Los Angeles.

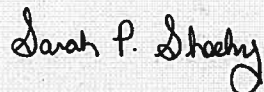
An approach similar to that pursued in so many other jurisdictions also makes environmental sense. Numerous California jurisdictions have studied the environmental impact of allowing recyclable paper bags for charge and concluded there is no significant environmental impact due to the amount of single-use bag reduction when a charge is placed on the bag. This result is further recognized in the *Master Environmental Assessment on Single-use and Reusable Bags* performed by Green Cities California of which the City of Los Angeles is a member.

Experience with the Los Angeles County carryout bag ordinance, which bans single-use plastic bags and allows recyclable paper bags for a charge, has shown a dramatic shift in consumer behavior away from single-use carryout bags toward reusable bag use. Industry information is showing an almost immediate flip in consumer behavior with over 70% of consumers either bringing their own bag or choosing no bag at all in the first few weeks of implementation. Over a period of a few months the amount of consumers choosing not to use a single-use bag has climbed to over 80%.

Finally, any ordinance adopted by the City should incorporate all businesses distributing single-use carryout bags. It stands to reason if a bag is detrimental when received at a grocery store, it is detrimental when received at a different type of business.

While our association must oppose the proposal as drafted today, we stand ready to work with the City of Los Angeles to address this issue. Our experience in other jurisdictions tells us a solution that is workable for all stakeholders – the City, local businesses, local consumers, the environmental community – is possible. We urge this Committee to reject the proposal before you today and instead engage in a broader, more robust stakeholder process prior to setting the City on a course that is so detrimental to local businesses and consumers.

Thank You,

A handwritten signature in black ink that reads "Sarah P. Sheehy". The signature is written in a cursive style with a large, looped 'y' at the end.

Sarah Paulson Sheehy

Director, Local Government

cc: Members, Energy and Environment Committee, Los Angeles City Council  
Ms. June Lagmay, City Clerk, City of Los Angeles  
Mr. Gerry Miller, Chief Legislative Analyst, City of Los Angeles  
Ms. Maria Espinoza, Legislative Assistant, City of Los Angeles