



December 12, 2011

The Honorable Antonio R. Villaraigosa
Mayor, City of Los Angeles
200 North Spring Street
Los Angeles, CA 90012

Re: Plastic/Paper Retail Bag Prohibition - Oppose

Dear Mayor Villaraigosa:

The American Chemistry Council (ACC), a national trade association of manufacturing companies - including domestic producers of fully recyclable plastic bags – is opposed to a proposed ordinance to ban both fully recyclable plastic bags as well as paper bags. In our view, enactment of such an ordinance would:

- Unnecessarily raise grocery costs for city residents;
- Increase City spending at a time of substantial operating deficits;
- Potentially put at-risk several hundred manufacturing jobs in the region;
- Ironically result in the dismantling of a local plastics recycling infrastructure that has been steadily diverting more plastic bags and wraps material from disposal each year and;
- Require the city to spend scarce resources to implement these new requirements, audit the collection of bag tax revenue and ensure overall compliance.

HIGHER GROCERY COSTS FOR LOS ANGELES RESIDENTS

The Bureau of Sanitation staff report calls for “A low-income exemption on paying for reusable bags.” This exemption acknowledges the draft ordinance is a financial burden to some, however, those that may be unemployed, single parents, seniors, or families that may be struggling to make ends meet would also be overlooked. This ordinance would raise grocery costs for Los Angeles residents.

Furthermore, data shows most people already reuse their plastic retail bags for pet waste, lunches, umbrella holders, and other uses. No free carryout bags mean people will have to purchase bags for these same uses. For example, in Ireland, plastic bag regulation resulted in sales of other plastic bags increasing over 400%¹.

NEW BUREAUCRACY & CITY SPENDING REQUIRED

The proposed policy calls for over \$235,000 in new city spending to hire full time city staff to oversee implementation and management of this program and to ensure compliance. With on-going substantial operating deficits and cuts to public safety departments other city services, it is arguably a questionable use of taxpayer money to create a “bag bureaucracy” when other, more cost-effective bag policy options are available.

LOCAL MANUFACTURING JOBS AT RISK

Southern California is home to several plastic bag manufacturing facilities, employing several hundred residents. Passage of this ordinance could put those jobs at risk, not to mention the hundreds of other jobs associated with suppliers and vendors. With the local unemployment rate over 11%, it is incomprehensible an ordinance that may put more local residents out of work is being considered.

¹ PIFA, 2004 (also validated by the Scottish Parliament ERDC Committee – Economic and Rural Development Committee) PIFA/Mike Kidwell Associates, 2006



LACK OF STAKEHOLDER PROCESS

We are disappointed a more concerted effort has not been undertaken to engage stakeholders and learn of their views before rushing to consider this important issue. In our view, bag litter and disposal can be reduced with a policy encouraging consumers to use reusable bags and to recycle their plastic bags. These activities can be undertaken through partnerships between industry, retailers, the City, recyclers and environmental organizations all without the burden of additional regulation, unintended environmental impacts, job loss, or negative economic impacts on consumers.

PLASTIC BAG/FILM RECYCLING IS INCREASING

Allegations that plastic bag and film recycling is failing are false. At the request of the Los Angeles County Public Works (LACPW) Department, ACC recently commissioned a study (attached) by Moore Recycling Associates, Inc. to: **1)** quantify the pounds of plastic bags and film collected for recycling from material recovery facilities (MRFs) in the County from 2007 through 2009; **2)** delineate the percentage of plastic bags collected versus total film; and **3)** determine how much of the total film was from the unincorporated areas of Los Angeles County.

- The study reveals a 39 percent growth in the recycling of plastic bags and other film plastics (*see examples below*).
- The recycling of plastic bags alone grew 62 percent during this period suggesting that residents have become accustomed to putting their plastic bags into their curbside recycling bins.
- In the unincorporated areas of the county, curbside collection of plastic bags and film increased by 40 percent from 2007 to 2009.

In addition to local curbside collection programs, California law requires all large grocery stores and pharmacies to provide a recycling bin for plastic bags. These bins provide a statewide consumer infrastructure that can capture not only recyclable plastic grocery bags but newspaper, dry cleaning, toiletry, and other bags and film as well (e.g., product wraps for cases of soda, paper towels, etc.). Ironically, if plastic bags are banned, stores in the City of Los Angeles could simply opt out of providing and servicing the bins and thus eliminate a convenient consumer recycling infrastructure. This was the case after the City of San Francisco banned plastic bags. Passage of this ordinance would have the perverse effect of dismantling a local and convenient recycling infrastructure.

WHAT ABOUT REUSE?

Surveys consistently show that most people “reuse” their plastic grocery bags for multiple purposes such as picking up pet waste, lining home trash cans or carrying damp clothes. A ban on this product will require consumers to purchase new plastic bags for these very same uses.

ENVIRONMENTAL IMPACT OF INCREASED PAPER BAG USAGE

If the City is interested in an ordinance that would only ban plastic bags without regulating paper bags, please consider the negative environmental impacts that would result. A Life Cycle Assessment of plastic bags versus alternatives conducted by Boustead Environmental Consulting in 2007 concluded the following²:

- plastic bags require 70 percent less energy than paper bags;
- plastic bags generate less than half the greenhouse gas emissions;
- plastic bags generate 80% less solid waste than paper;
- plastic bags use less than 1/20th the water of paper.

Similarly, Seattle Public Utilities (SPU) recently conducted an extensive analysis of the environmental impacts of plastic bags and concluded a ban only on plastic bags would cause a shift back to paper. The SPU study, which examined the life cycle environmental impact of disposable shopping bags, found that among other things, the impact of paper bags was overall four times worse than that for an equal number of plastic bags (for all environmental impact categories weighted equally).

In fact, SPU materials state “**Banning plastic bags only would push stores and shoppers to paper bags, resulting in significantly greater greenhouse gas generation.**”³

² Boustead Consulting, “Life Cycle Assessment for Three Types of Grocery Bags - Recyclable Plastic; Compostable, Biodegradable Plastic; and Recycled, Recyclable Paper,” 2007.

³ City of Seattle, Disposable Shopping Bags Green Fee and Expanded Polystyrene (EPS) Foam Food Container Ban FREQUENTLY ASKED QUESTIONS (FAQ) April 2, 2008.



If paper bags are regulated with a fee, we believe that other policy and legal issues should also be explored, including:

- If a fee is proposed on alternative products such as paper bags (in an effort to reduce the environmental impacts of those products), would such a fee be subject to the provisions of Proposition 26?
- Whether an analysis has been conducted as to the potential consumer cost impact for residents that may now be forced to pay for paper bags, especially those that may be struggling to make ends meet?
- Whether such an ordinance would require city expenditures to implement, monitor and audit the program, especially as it relates to a city mandated per bag charge?

REDUCING BAG LITTER AND DISPOSAL THROUGH COLLABORATIVE EFFORTS

Reducing bag litter and waste can be accomplished by limiting unnecessary bagging, enhancing and promoting recycling programs and encouraging consumers to use reusable bags. ACC and its members have consistently been willing to work toward this goal and, in fact, sponsored legislation (AB 1141 – C. Calderon) in 2009 that would have created an annual fund of nearly \$25 million [paid for by bag manufacturers] to support recycling and storm water pollution prevention programs statewide.

Thank you for the opportunity to provide these comments and we would welcome the opportunity to discuss potential recycling opportunities in the City of Los Angeles. If you or your staff has any questions or comments, please do not hesitate to contact me at 916-448-2581 or via email at Ryan_Kenny@americanchemistry.com.

Sincerely,



Ryan Kenny
Manager, State Affairs
American Chemistry Council

cc: Members, Los Angeles City Council; City Clerk





2007, 2008 and 2009 Plastic Film and Bag Report

*Prepared for the American Chemistry Council at the Request of
Los Angeles County Public Works*

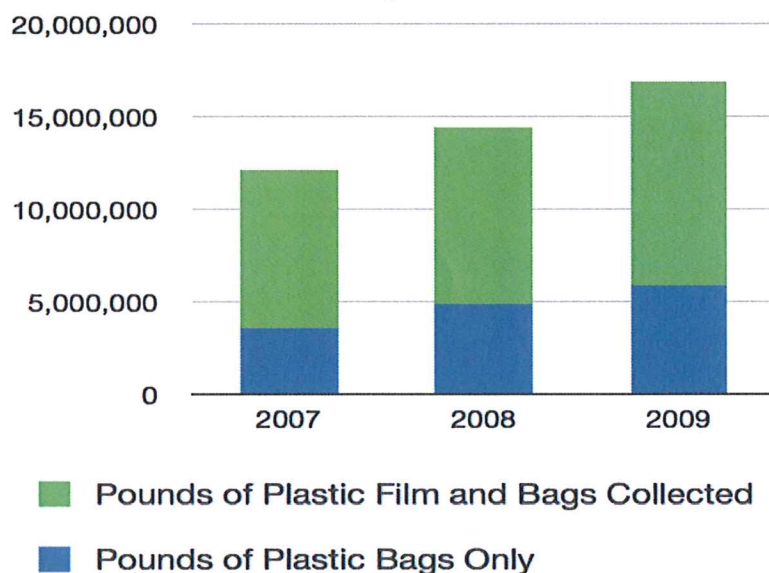
Introduction

Los Angeles County Public Works (LACPW) came to the American Chemistry Council (ACC) in 2009, and again in early 2010, to request its assistance in determining the pounds of plastic film and bags collected for recycling from material recovery facilities (MRFs) in Los Angeles (LA) County in 2007, 2008 and now 2009. The County requested information that would illustrate the percentage of plastic bags collected versus total film, as well as how much of the total film was from the unincorporated areas of LA County.

Findings

There are currently twenty-two single-stream MRFs in LA County. Each MRF was contacted or visited for this report and asked to supply total pounds of plastic film captured, as well as the percentage of the total that was from plastic bags. The percentages of plastic bags are based on each MRFs' in-house data: some do sample testing; others provided their best estimate. Data from twenty of the twenty-two MRFs is represented in this report.

Pounds of Film and Bags Collected from LA County MRFs



The data shown is aggregated based on reports from LA County MRFs only. The weight per plastic bag is based on industry standards: 75 bags weigh one pound, therefore a single plastic bag is about 0.213 oz. or 6 grams.

Total Volume of Plastic Film and Bags Collected in Los Angeles County

| | 2007 | 2008 | 2009 |
|--|-------------------|-------------------|-------------------|
| Pounds of Plastic Film and Bags Collected | 12,122,410 | 14,408,760 | 16,876,000 |
| Percentage of Plastic Bags Collected | 30 | 34 | 35 |
| Pounds of Plastic Bags Only | 3,636,723 | 4,898,978 | 5,906,600 |

As indicated above, the amount of plastic film and bags collected for recycling is growing. In fact, the recycling of plastic bags and film grew 39 percent from 2007 to 2009. Significantly, the recycling of plastic bags alone grew 62 percent from 2007 to 2009. Consumers have become accustomed to putting their plastic bags and film into their recycling curbside bins. So whether they actively request them or not, MRFs are receiving bags and film in the recycling stream. It is to their benefit to separate out bags and film because this material would otherwise contaminate the other recyclables and get tangled in their sorting equipment. Since this material is already separated out, it makes the most sense to bale and market the material.

This data shows a dramatic increase in curbside recycling of bags and film in LA County since 2007. In addition to curbside recycling of bags and film, there are approximately 400 large stores that take back bags and film for recycling in LA County. Nationwide, total bag and film recycling, inclusive of all collection methods, has increased by 28 percent since 2005, reaching over 832 million pounds in 2008. Of this, curbside recycling represents only about 4 percent of the total.¹

Market

Every material experienced the export market crash in October 2008. This resulted in buyers of lower-grade plastics discontinuing purchase, or having to find different export markets. The prices for all exported scrap plummeted. Because of the dramatic drop in price, a few MRFs in Los Angeles County decided to temporarily stop pulling their plastic film and bags. Instead, the film and bags ended up in the county's landfills. Despite the crash, and this practice by a few of the MRFs, the volumes continued to grow. Since then, those MRFs have reconsidered their practices and all but two of the MRFs have started pulling and baling plastic film and bags again.

¹ **2008 National Postconsumer Recycled Plastic Bag and Film Report,**
http://www.americanchemistry.com/s_plastics/sec_content.asp?CID=1593&DID=10776

Volumes from Unincorporated areas

Out of LA County’s twenty-two MRFs, there are only a few that are located within the unincorporated areas of the County. In addition, there are a few other MRFs that receive a small percentage of material from the unincorporated areas. Below is the data indicating the total volume of plastic film and bags collected from these unincorporated areas.

Total Volume of Plastic Film and Bags Collected from the Unincorporated Areas of Los Angeles County

| | 2007 | 2008 | 2009 |
|--|----------------|------------------|----------------|
| Pounds of Plastic Film and Bags Collected | 654,610 | 1,123,262 | 916,440 |
| Percentage of Plastic Bags Collected | 20 | 22 | 20 |
| Pounds of Plastic Bags Only | 130,922 | 247,117 | 183,228 |

The unincorporated numbers also show an increase in volume. However, due to the crash of 2008, and the decision by some MRFs to stop pulling film, the volume for 2009 was affected. Overall, there was a 40 percent increase in plastic bags and film collected from 2007 to 2009. The 2009 numbers were disproportionately affected by the market crash because of the lower volumes and smaller number of MRFs serving the unincorporated areas.

Los Angeles County MRFs

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. Allan Company – Baldwin Park Plant 2. Allan Company – Sun Valley Paper in Sun Valley 3. Allan Company – Santa Monica Plant 4. Athens Disposal – City of Industry 5. American Recycling – Sun Valley 6. Bestway Recycling – Los Angeles 7. Bestway Recycling – Los Angeles (Downtown) 8. Burbank Recycling – Burbank 9. City Fibers – Los Angeles 10. City Fibers – North Hills 11. Community Recycling & Crown Disposal – Sun Valley | <ol style="list-style-type: none"> 12. Downey Area Recycling & Transfer – Downey 13. Grand Central Recycling – City of Industry 14. Pomona Valley Recycling – Pomona 15. Mission Recycling – Pomona 16. Potential Industries – Wilmington 17. Puente Hills MRF – Whittier 18. Smurfit Stone Recycling – Torrance 19. Waste Management – Pico Rivera 20. Waste Management – Los Angeles (LA Express) 21. Waste Management – Santa Clarita 22. Waste Management - Carson |
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