



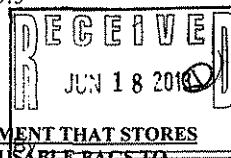
California Independent Grocers Association

• REPRESENTING INDEPENDENT GROCERS IN CALIFORNIA •

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Jeff Snadow, President

June 17, 2013

City of Los Angeles
City Council
200 N. Spring Street
Los Angeles, CA 90012



OBJECTIONS TO REQUIREMENT THAT STORES PROVIDE PAPER OR REUSABLE BAGS TO FOOD STAMP AND WIC CUSTOMERS FREE OF CHARGE WITHOUT GOVERNMENTAL COMPENSATION

The California Independent Grocers Association ("CIGA") objects to the requirement that stores provide costly paper bags free of charge to customers who receive benefits under the SNAP (food stamp) or WIC programs, if the store is not compensated by the government. Many independent grocery stores are located in economically challenged areas and are heavily impacted by this requirement.

Section 12.85.060 of the existing LA County carryout bag ordinance states:

All stores must provide at point of sale, free of charge, either reusable bags or recyclable paper carryout bags or both, at the store's option, to any customer participating either in the California Special Supplemental Food Program for Women, Infants, and Children...or in the Supplemental Food Program....

Section 195.05 of the proposed City of LA carryout bag ordinance states:

Stores that provide Recyclable Paper Single-Use Carryout Bags...shall provide such bags or Reusable Carryout Bags or both, at the Store's option, free of charge to any Customer participating either in the California Special Supplemental Food Program for Women, Infants, and Children...or in the Supplemental Food Program....



A store in South LA in unincorporated LA County. At some stores, 80% to 90% of customers are on food stamps or WIC. All such food stamp and WIC customers are entitled to free paper bags - at the storeowner's expense. Paper bags cost the storeowner about five times more than banned plastic bags. In contrast, Whole Foods and stores in affluent areas are able to charge virtually all of their customers for paper bags as they have few if any food stamp or WIC customers.

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PROTECTING AND FULFILLING THE NEEDS OF THE INDEPENDENT GROCER.



LA County and the City of LA have given no consideration whatsoever to the impact of the cost of the food stamp and WIC paper bag charge exemption on the owners of stores in economically challenged areas, including small family-owned businesses. If the LA County and the City of LA wish to ban plastic bags, they must compensate the storeowners for the cost of this exemption.

In a letter to the City Council dated June 3, 2013, the CGA says "grocery stores operate on less than 1% profit margins so every penny counts." On a \$10 transaction, if the 10-cent paper bag fee cannot be charged, the entire profit margin is lost. (10 cents is 1% of \$10.)

Members of the LA Board of Supervisors and the LA City Council would protest loudly and file lawsuits if each of them, as individuals, was required to purchase 100,000 paper bags at a cost of \$10,000 from their own pockets and give them to economically challenged members of the public, without government compensation. They have no right to expect owners of stores in economically challenged areas to act any differently.

CIGA strongly urges Council to reconsider this requirement of the ordinance that require that stores provide paper or reusable bags free of charge to food stamp or WIC customers without government compensation. Thank you for your consideration of our viewpoint.

Sincerely,

John Handley
Vice President, Government Relations

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