



**American
Forest & Paper
Association**

March 19, 2019

Senate Committee on Finance
Vermont General Assembly
115 State Street
Montpelier, VT 05633-5301

RE: S. 113- An act relating to the prohibition of plastic carryout bags, expanded polystyrene, and single-use plastic straws

On behalf of the American Forest & Paper Association (AF&PA)ⁱ, we appreciate the opportunity to share our perspective on legislation under consideration by the Committee related to single-use carryout bags. AF&PA is active on this issue in states and localities across the country. We believe that bag legislation should not wrongfully penalize paper bags—a commodity that is recyclable, compostable, made of recycled material, and reusable. We must respectfully **oppose Senate Bill 113** which in the latest bill draft requires a charge of 10 cents for each single-use paper carryout bag distributed by a retailer.

Government imposed product fees increase costs for consumers and can create distortions in the free flow of recoverable commodities. Paper products are commonly made with recycled content. The paper bag fee unfairly targets paper products, implying they are part of the environmental problem rather than the solution.

Product fees burden hard working citizens, increasing the cost of basic necessities for all citizens and disproportionately impacting those who are low-income. Additionally, imposing a fee/tax on paper products discourages consumers from using products that are recyclable, compostable, made of recycled material, and reusable.

This fee will increase the cost of basic necessities for low-income citizens who are dependent on public transit and cannot practically expect to bring reusable bags every time they go to a retailer. These consumers cannot afford to pay an additional levy on bags while they struggle to cover the increasing cost of basic necessities and need a packaging option to protect their food purchases from damage and contamination.

There is also a lack of data to support claims that carryout bag taxes and fees have been successful. For example, Washington, DC charges five cents for paper and plastic carryout bags and the fee is allocated to the Anacostia River Clean Up and Protection Fund. A city audit of the program was conducted in 2014ⁱⁱ and *The Washington Post* conducted an in-depth review of the fund in 2015ⁱⁱⁱ. Some of the findings showed that revenue from the tax on carryout bags increased every year since its inception showing no reduction in the use of carryout bag and the Anacostia Watershed Society reported


that it is collecting the same number of plastic bags from trash traps as it did in 2009, before the fee began.

The forest products industry achieves a consistently high recovery rate. In 2017, 65.8 percent of all paper consumed in the U.S. was recovered for recycling, and the recovery rate has met or exceeded 63 percent for the past nine years. According to the Environmental Protection Agency, more paper (by weight) is recovered for recycling from municipal solid waste streams than glass, plastic and aluminum combined. In 2014, 96 percent of the U.S. population had access to community curbside and/or drop-off paper recycling services and paper bags are the only shopping bags that are accepted for recycling at curbside.

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. Consumers who are sensitive to environmental concerns choose paper bags. Responding to consumer demands, many retailers have already voluntarily transitioned to paper. Offering a paper bag 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, such as rent, electricity, insurance and employee wages. Once there is an obligation to pay fees for bags, those fees are likely to increase over time.

We encourage the state of Vermont 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. For additional information, please contact Abigail Sztejn, Director, Government Affairs for AF&PA at (202) 463-2596 or abigail_sztejn@afandpa.org.

Sincerely,



Elizabeth Bartheld
Vice President, Government Affairs

ⁱ AF&PA is the national trade association for the forest products industry, representing pulp, paper, packaging, tissue, 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 percent of the total U.S. manufacturing GDP, manufactures nearly \$300 billion in products annually, and employs approximately 950,000 men and women. The industry meets a payroll of approximately \$55 billion annually and is among the top 10 manufacturing sector employers in 45 states. In Vermont, the industry employs more than 4,500 individuals, with an annual payroll of nearly \$151 million. The estimated state and local taxes paid by the forest products industry totals \$14 million annually.

ⁱⁱ [Audit of the Anacostia River Clean Up and Protection Fund](#)

ⁱⁱⁱ [Is D.C.'s 5-cent fee for plastic bags actually serving its purpose?](#)