News Release

For Immediate Release
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ACC TO SAN JOSE: PROP 26 RESTRICTS “FEES” IN PROPOSED BAG ORDINANCE
Bag makers suggest alternative approach; California recyclers tell City they will buy plastic bags

SACRAMENTO, CA (December 10, 2010) – Citing a potential violation of voter approved Proposition 26, the American Chemistry Council (ACC) submitted a letter to San Jose City Council this week objecting to proposed taxes in a pending city ordinance on plastic and paper bags.

Referencing a similar letter sent to the Los Angeles Board of Supervisors last month, ACC noted that California Proposition 26, passed with strong voter support in November, requires so-called fees that hit consumers in the pocketbook like taxes to be evaluated and voted upon with the same attention and care as taxes. If the proposed fee on paper bags qualifies as a regulatory fee under Proposition 26, it cannot proceed on a routine City Council vote; rather, a 2/3 vote of city residents would be required. ACC also noted similar concerns over the Los Angeles County Board of Supervisors bag tax that passed last month.

“Clearly the voters have spoken in California. We are growing weary of fees that are nothing more than stealth taxes on consumers,” said Tim Shestek, ACC’s senior director of State Affairs. “Given that Proposition 26 has just passed, it’s critical that San Jose, Los Angeles and other municipalities carefully examine how it applies to any bag ordinance before voting.”

Further, a coalition of fourteen California recyclers has made clear that they want to buy the plastic material. In a letter (hyperlink letter) to Mayor Chuck Reed and the San Jose City Council, the recyclers indicated that they recognize the value of drop-off recycling, buy plastic bags and film and want to buy more.

The proposed ordinance would prohibit grocers and other retailers from providing customers with recyclable plastic bags and require them to charge customers $0.10 for each paper bag. None of the fee/tax would go toward helping improve environmental quality since the retailers keep the money. A new city bureaucracy would be created to administer the fee/tax.

ACC supports alternative policies to reduce bag litter and waste. “ACC and its members supported alternative legislation last legislative session that supports recycling and storm water pollution prevention programs statewide,” Shestek noted. “We prefer an approach that involves all stakeholders in crafting a statewide solution that enhances recycling, protects consumer choice and doesn’t punish shoppers and manufacturers.”

“We believe there are more consumer and business friendly ways of reducing bag litter and waste that do not result in raising grocery costs for families and putting at risk California manufacturing jobs,” Shestek added.

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According to the EPA’s data, the recycling rate for plastic bags and product wraps has doubled since 2005. In 2008 more than 832 million pounds of post-consumer plastic film (including plastic bags and product wraps) were recovered according to the latest National Post-Consumer Recycled Plastic Bags and Film Report prepared by Moore Recycling of Sonoma, CA.

ACC continues to support working with all stakeholders to craft a statewide solution that enhances recycling, protects consumer choice, and doesn’t punish consumers, workers or manufacturers.

The original letter to the Los Angeles County Board of Supervisors can be read in its entirety here.

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The American Chemistry Council (ACC) represents the leading companies engaged in the business of chemistry. ACC members apply the science of chemistry to make innovative products and services that make people’s lives better, healthier and safer. ACC is committed to improved environmental, health and safety performance through Responsible Care®, common sense advocacy designed to address major public policy issues, and health and environmental research and product testing. The business of chemistry is a $674 billion enterprise and a key element of the nation's economy. It is one of the nation’s largest exporters, accounting for ten cents out of every dollar in U.S. exports. Chemistry companies are among the largest investors in research and development. Safety and security have always been primary concerns of ACC members, and they have intensified their efforts, working closely with government agencies to improve security and to defend against any threat to the nation’s critical infrastructure.