

FLOOR ALERT

AB 1371 (Friedman) - OPPOSE

Packaging Ban Bill Will Disrupt California's Supply Chains, Lead to More Waste and Stymie California's Economic Recovery

Recent Amendments Still Ban Critical Packaging for thousands of companies across millions of products

- The amendments to AB 1371 merely move the ban for televisions, printers, computer screens and large appliances back by one year to January 1, 2023.
- Online retailer definition still includes "business-to-business" transactions, meaning any business that orders supplies online could be affected by the bans.
- No consideration for the lack of substitutes or regrettable substitutes, including unintended environmental consequences to utilizing heavier material or material that is more water intensive, especially in a drought year.

What are the impacts?

- Bans critical packaging used by small, medium and large retailers to ensure products arrive undamaged, unbroken or unspoiled.
- Will prohibit online purchase of essential products that are needed in the home, such as refrigerators, ovens and clothes washers.
- No sell-through provision will lead to much more waste as banned packaging will be legally required to be discarded.
- Fails to consider lack of substitutes and regrettable substitutes from using heavier packaging (more GHG emissions).
- Bans tertiary packaging used to wrap pallets and safely move large volumes of goods between businesses.
- Negatively impacts supply chains involving electronics, appliances, cosmetics, food and agricultural products, automotive parts, pharmaceutical and medical supplies and more.
- Bans Expanded Polystyrene (0.7% of the California waste stream) and flexible plastic films (0.6% of waste stream) packaging and other material that prevents substantial amounts of waste from products damaged, broken or spoiled during shipment.
- Delegates broad authority to CalRecycle to ban other packaging materials.
- Imposes draconian fines of up to \$50,000 per violation, per day.

AB 1371 Counterproductive to Circular Economy in California

- Disincentivizes investments to California's recycling infrastructure
- Ignores the possibility of a closed loop recycling system for lighter packaging material that life cycle analyses show have net benefits for the environment.
- Eliminates end markets for 100% recyclable packaging materials
- Disrupts entire supply chains, already upended by COVID, semiconductor shortages and metal shortages, for thousands of companies that rely on e-commerce or make any orders online for their brick and mortar stores
- No small business exemption due to arbitrary definitions that in effect treat large online retailers the same as smaller online retailers.
- Fails to consider the life cycle impacts of regrettable substitutes that the Oregon Department of Environmental Quality found lead to *greater* environmental impacts.

Please Vote "NO" on AB 1371

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