

MEMORANDUM

CB13-0501, an ordinance to reduce the use of single-use shopping bags in Denver

August 20, 2013

Denver Bag Fee Ordinance Details:

- 5-cent fee on paper and plastic point-of-sale bags consumed by shoppers at food stores
- 2-cents retained by retailer to offset administrative, labor, and other costs
- 3-cents returned to the city and linked to program to distribute reusable bags, conduct public education and outreach, and conduct cleanup efforts
- At least a six-month delay between adoption and an effective date of Earth Day 2014 (April 22, 2014)
- Retailers will have the opportunity to donate reusable bags to the City administered program (offset by 2-cents collected)
- Required signage referencing City ordinance allows retailers logo
- Quarterly remittance schedule
- Goal: 50% reduction in bag consumption in the first year at retailers affected by the ordinance
- Study on effect of ordinance in first year
- CB13-0501 will fund an education and outreach program to distribute reusable shopping bags as a way to mitigate the impacts of the fee on Denver households. CB13-0501 will also provide a mechanism for expanding Denver's compost program beyond the 2,500 households that it currently serves.

Why CB13-0501?

- Approximately 130 million single-use shopping bags are consumed in Denver annually at grocery and convenience stores alone
- Neither plastic nor paper disposable shopping bags are a more sustainable option.
- Bag fee ordinances have been incredibly successful in other jurisdictions at reducing single-use bag consumption by rates of 50% and higher
- 5-cents has been effective in reducing the consumption of single use bags in other large cities such as Washington, DC and Montgomery County, Maryland

- Plastic bags are the number one contaminant to Denver's compost stream resulting in a reported 20 percent increase to production costs
- Plastic bags are one of the top categories of trash collected in waterway cleanups that take place in the City of Denver
- Plastic bags are one of the largest contaminants to our landfills, resulting in litter control costs to Denver's waste management contactors
- Plastic bags cause costly delays to our recycling stream with machinery shutdowns and labor hours for the removal of these contaminants
- The ULS Report http://www.deq.state.mi.us/documents/deq-ess-p2-recycling-PaperPlasticSummary_2.pdf According to the EPA, "Current research demonstrates that paper in today's landfills does not degrade or break down at a substantially faster rate than plastic does. In fact, nothing completely degrades in modern landfills due to the lack of water, light, oxygen, and other important elements that are necessary for the degradation process to be completed."

Denver Retailers: Reducing disposable bag use, in their own words:

<u>King Soopers (Kroger)</u>. (Approximately 12 stores in C/C Denver) The Kroger 2012 Sustainability Report (page 50) describes its corporate message about reusable grocery bags. http://sustainability.kroger.com/



"Reducing Plastic Bag Use and Increasing Use of Reusable Bags.

The Kroger family of stores continues to help customers reduce plastic bag use and transition to reusable bags. In fact, we have saved over *1 billion plastic bags* from being used since 2008 through better bagging practices by our associates and by our customers using more reusable bags. The Kroger family of stores encourages customers to change their habits by offering a wide variety of reusable bags. Last

year, we sold and provided more than 4.8 million reusable bags—an average of 13,150 reusable shopping bags per day! In 2012, we held an online Design- A-Reusable Bag contest to raise awareness and increase engagement with our customers. Here is one of the winning designs."

<u>Natural Grocers.</u> (3 stores in C/C Denver) This grocery store operation (formerly Vitamin Cottage) was started in Colorado in 1955.

"In case you're not familiar with our stores, we have been shopping bag-free (no plastic or paper bags) since 2009, saving over 1.3 million pounds of waste from our landfills each year. So feel free to bring your own bags. But until you get the hang of it, we'll have plenty of boxes on hand for you. We also have affordable re-usable bags that you can use anywhere you shop. By the way, each time you bring your own bags, we'll donate 5 cents to the West



Texas Food Bank. You'll be helping the Earth and your neighbors each time you shop with us!" http://www.naturalgrocers.com/store-info/blog/re-usable-shopping-bags-are-great-earthand-your-neighbors

<u>Safeway.</u> (approximately 12 stores in C/C Denver) This is excerpted from the Safeway website - sustainable initiatives. http://csrsite.safeway.com/planet/sustainability-initiatives/reusable-bags/

"Environmental Impact of Bags. Reusable bags are an easy way you can make a lasting impact on the environment. By using reusable bags, you are keeping paper and plastic bags out of landfills or from ending up as trash in our environment. You are also conserving the resources needed to produce and transport bags as well as the emissions resulting from these processes.



We have many reusable bags available for purchase at our stores, and we also encourage customers to use their own.

By 2015, it is our goal to reduce the number of plastic and paper bags used by 1 billion. You can help us reach that goal by switching to reusable bags.

Why Use Reusable Bags

- Over a lifetime, use of reusable bags by just one person would save over 22,000 single-use bags
- Approximately 14 million trees are cut down every year for U.S. paper bag production
- A plastic shopping bag can take anywhere from 15 to 1,000 years to decompose
- Paper bags produce more than double the air pollution as plastic bags in landfills."

Sprouts. (3 stores in C/C Denver) No information found regarding the firm's corporate policy on reusable grocery bags.

<u>Target.</u> (2 stores in C/C Denver) Here are some excerpts from Target's corporate responsibility platform. https://corporate.target.com/corporate-responsibility/environment/sustainable-living

"Celebrating Earth Day in our stores. Each year, we celebrate Earth Day with events and activities in our stores and online to get guests excited about sustainable living. In 2013, for example, we gave away 1.5 million reusable bags and held in-store sampling events where guests could try sustainable products and learn more about them."



Our reusable bag program. Each time a guest buys something at our stores, we offer a 5-cent discount for each reusable bag they use. So far, our guests have used more than 80 million reusable bags instead of paper or plastic. We encourage guests to make reusable bags a regular part of their shopping routine by offering a broad and ever-changing assortment of bags that fit different lifestyles and needs."

<u>Trader Joes</u> proudly states that its first reusable bag was introduced in 1977 (36 years ago) and hopes that it is still in use. http://www.traderjoes.com/about/timeline.asp

Wal-Mart (4 stores in C/C Denver) Wal-Mart has three sustainability goals:

"Environmental sustainability has become an essential ingredient to doing business responsibly and successfully. As the world's largest retailer, our actions have the potential to save our customers money and help ensure a better world for generations to come. We've set three aspirational sustainability goals: to be supplied 100% by renewable energy; to create zero waste; to sell products that sustain people and the environment."

http://corporate.walmart.com/global-responsibility/environment-sustainability

More specifically, in its 2013 Global Responsibility Report, Wal-Mart reported it had exceeded a target plastic bag reduction goal.

"One-time-use shopping bags continue to represent a tremendous opportunity as we work to reduce waste being sent to landfills, but we're making marked progress. In fact, we recently achieved a signature milestone. Since 2008, we have been working to reduce our global plastic shopping bag waste by an average of 33 percent per store by 2013, compared with our 2007 baseline. We exceeded that target by reducing bag waste across our global operations by 38.1 percent, or approximately 10 billion bags." (Report, page 61) http://az204679.vo.msecnd.net/media/documents/updated-2013-global-responsibility-report_130113953638624649.pdf

<u>Whole Foods</u>. (4 stores in C/C Denver) Five years ago, Whole Foods discontinued use of disposable plastic grocery bags; environmental stewardship is one of its core values. http://www.wholefoodsmarket.com/mission-values/core-values.

Last year, Whole Foods issued its first "Green Mission Report" which provides comprehensive information about its environmental practices. An excerpt is quoted below.

"Whole Foods Market discontinued the use of disposable plastic grocery bags at the checkouts at our stores in the US, Canada and the UK on Earth Day 2008. The goal is to reduce our environmental impact, help protect wildlife, decrease litter, and promote reusing and recycling. We offer a variety of reusable bags for sale, including our low-cost Better Bags in two sizes, and most stores offer customers a refund of up to 10 cents for bringing their own carrier bags." Whole Foods Green Mission Report, page 10.

 $\underline{http://www.wholefoodsmarket.com/sites/default/files/media/Global/PDFs/2012GreenMissionRe}\\ \underline{port.pdf}$