

## **Plastic Bag Industry in Fight of its Life**

By [Mike Verespej](#) | PLASTICS NEWS STAFF

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WASHINGTON (March 16, 9:55 a.m. ET) -- For a small product that doesn't cost a lot to buy or make, plastic carryout shopping bags have certainly caused the plastics industry a lot of anguish and given them a lot of publicity — much of it negative.

Hardly a day goes by, it seems, without someone proposing a ban or fee on plastic bags or calling the industry out for making a product that, when it is littered, is an eyesore with the potential to harm marine life.

What's more, at times the issue seems to have a life of its own, powerfully moving forward, regardless of what measures the industry takes to confront the ongoing challenge.

Once strictly a California issue, it has spread up the West Coast, over to the East Coast and to areas as far away from the ocean as Iowa and central Texas.

"I don't know how much we have actually changed," said Mark Murray, executive director of Californians Against Waste in Sacramento, Calif. "But we have probably helped contribute to the negative perception people have of plastics."

Yet for all the negative headlines, image problems and legislative threats, only five U.S. cities — most notably San Francisco — have banned plastic bags. Toronto is the only North American city to enact a fee on bags (5 Canadian cents, starting June 1) and the number of proposed bills appears to be declining.

At the end of February, there were only 80 pieces of legislation on the table for 2009 compared to 147 for the same period in 2008, according to figures from the plastics division of the American Chemistry Council.

About 10 states are looking at bag ban proposals and a similar number are considering fees ranging from 3-25 cents per bag. But Virginia, Colorado, Washington state and Santa Clara County, Calif., already have rejected attempts to ban plastic bags this year and in Portland, Ore., Mayor Sam Adams has shelved his plan to seek a 5-20 cent surcharge on plastic and paper bags.

In addition, the Save the Plastic Bag Coalition — which has several bag manufacturers among its 12 members — has successfully prevented a number of bans from going into effect through lawsuits, real or threatened.

"Some of the smaller cities are reluctant to take action because of the threat of being sued," Murray said. "It is the same strategy that the polystyrene folks used in the early '90s," when there was an outcry about takeout packaging. "A lot of policies were adopted, but never formally enforced," he said.

### **Biggest challenge**

In many respects, the outcry against plastic bags is only the most visible of many challenges the plastics industry faces today — and will face going forward. It also raises the question of how the industry should meet or prevent those challenges.

"Plastic bags have become a symbol of everything that is wrong with society," said Pete Grande, chief executive officer of custom bag manufacturer Command Packaging in Vernon, Calif. "We

consume too much. We spend too much. We waste too much. That is the prism environmentalists look through.”

Bill Carteaux, president and chief executive officer of the Society of the Plastics Industry Inc. in Washington, agreed. “Plastic bags have become the poster child for what’s wrong with society in general from a wasteful standpoint,” he said at the recent Plastics Recycling Conference in Orlando, Fla. “I’m going to get in trouble for saying this. But plastic bags being littered are society’s fault, not industry’s fault. We have to change the culture in this country to recycle not just plastics, but everything we use.”

“Litter is unsightly, but why don’t people put [plastic bags] into waste containers like they do everything else?” asked Bill Seanor, a former partner in bag manufacturer Vanguard Plastics Inc., who now is CEO of Overwraps Packaging in Dallas, which converts film into flexible packaging. Vanguard Plastics now is part of Hilex Poly LLC.

“How the hell is the plastics industry going to solve the litter problem?” said Seanor. “It certainly is a broader problem than just the plastics industry.”

It also is clear that the plastic bag issue triggers strong emotional reactions from stakeholders when they’re talking about the issue. Some even question whether the issue would have escalated the way it did had the industry not discontinued a long-running image-building campaign at about the same time the issue was emerging.

“I don’t think anybody could have done anything to stop this from happening,” Grande said. “When you are painted as the Great Satan and the evil empire, and people say that you only have value if you are terminated,” there is no common ground for discussion, he added.

“Change doesn’t get initiated until you get up to the precipice of that cliff, and 10 years ago, no one was willing to listen, because the pain threshold wasn’t high enough,” Grande said.

The Arlington, Va.-based ACC holds a similar view. “We could have communicated earlier. But I believe these issues have such a strong emotional appeal that they were going to be compelling social issues in any event,” said Steve Russell, managing director of ACC’s plastics division.

ACC in 2007 assumed the major responsibility within the industry for dealing with the plastic bag issue, when it formed the Progressive Bag Affiliates. That group replaced a similarly named organization, the Progressive Bag Alliance, which had been formed in 2004 by the five major U.S. bag manufacturers as a unit of the Society of the Plastics Industry Inc.

“There is always something that could have been done differently,” Seanor said. “But from a practical standpoint, I don’t know what it was. If there was something, we would have been pushing it. If someone has come up with an idea of what we should have done, they haven’t told us yet what it was.”

Murray agreed: “The plastics industry is in a very tough position when it comes to plastics bags because the very thrust of the issue is to get rid of plastic bags,” he said. “So there is not a lot they can do.”

### **Litter still a problem**

For its part, ACC has put 530 plastics recycling bins on state beaches in California, and larger grocers in the state have mandated in-store collection programs since July 2007.

ACC said it is close to an agreement with another state agency to place additional recycling bins elsewhere in California.

Mandated bag recycling programs also exist in Chicago, Rhode Island, New York City, five counties in New York state, San Juan Capistrano, Calif., and Red Bank, N.J.

But Murray said he is not sure that even recycling programs can address the issue, because plastic bags remain a litter source due to their physical properties.

“Even if they are disposed properly, they can still blow around,” Murray said. “It is not the fault of consumers. It is not the fault of industry. I am not sure there is anyone to blame. The problem is we just have too many of them and the only solution is reduction.”

Some suggest that plastics industry infighting, an attitude of denial by the industry that bags were a problem, and a lack of support from grocers allowed the issue to escalate.

The California Film Extruders and Converters Association was initially the only group that addressed the issue, said Laurie Hansen, a California lobbyist who does work for CFECA and who formerly dealt with similar issues for a group within Washington-based SPI.

“Unless you saw it, you couldn’t comprehend how large a litter problem it had become in California,” she said. “It was ugly. You would go all over California and all you saw were [plastic] bags everywhere.”

It also did not help that grocery stores and retailers, faced with other vexing issues at the time, did not believe it was going to become a big issue, she said.

A third factor escalating the issue was that many California cities were under a mandate to eliminate trash in their storm-drain systems.

“Bags clog and block those systems and increase costs for cities,” Murray said. Bags thus became a visible target — as well as a potential source of revenue to cities through taxation.

Seanor said he and others in the plastics bag industry tried to warn the industry of how heated the issue was becoming, but the pleas fell on deaf ears. “We started to see the situation heat up in 2002 and 2003 because, with the increases in volume of plastic bags, you now had a very, very visible, ugly product floating around the streets because there were so many of them,” he said.

Seanor said some industry leaders were — and remain — shortsighted. “It was not the case of the bag manufacturers not taking the issue seriously, but more a case of the rest of the industry not taking it seriously. We weren’t getting any support from the broader industry groups because their ox wasn’t getting gored,” he said.

“These people were not in the direct line of fire, so they found it easier to say ‘I’m not interested. You guys are going to have to fight it on your own,’ ” he said, adding that it wasn’t until the entire plastics industry was under fire that the issue got attention.

The issue gained further momentum because the supermarket industry decided not to join plastic bag producers in fighting against the attacks, Seanor said, because supermarket owners stood to profit from passing taxes through to their customers in the form of increased prices.

“Why would [grocers] want to fight this when their economic interest is served by not resisting?” he asked.

### **Failure to adjust**

In addition, the focus of the battle had changed from simply a discussion of the environmental impact of paper vs. plastic bags — as it had been in the late 1980s and early '90s — and the plastics industry was caught off-guard by the shift in the debate.

“A lot of the environmentalists didn’t even want to talk about comparing plastic bags to paper anymore,” Seanor said. “They would prefer to get rid of all disposable items and not use Earth’s resources to create disposable items.”

One legislative source offered a different view: “The issue changed and I don’t think the [plastics] industry knew how to handle it.”

Hansen agreed. “The usual way the industry has dealt with this was to use a life-cycle analysis to show that alternative products were not any better,” she said. “But it wasn’t just about the life cycle of plastic bags anymore. It was about the litter sitting on the street. It was something that just got legs because people bought into it. I think the environmentalists’ arguments succeeded because there was a real litter problem.”

Compounding the problem, the bag ban issue surfaced right around the time ACC discontinued its “Plastics Make It Possible” ad campaign. Grande said the image-boosting ads were expensive — they cost an estimated \$20 million annually — but successful.

“If you look at how much money we have spent defending the position of plastic bags, had we just continued that ad campaign and educated people that plastic bags can be recycled, I think we would have been further ahead than we are today,” he said.

Seanor said the plastics campaign never should have been discontinued. “I think the industry has an obligation to combat the suspicions about plastics. Without that, the only publicity the plastics industry ever got was negative,” he said.

But some suggest the industry has been very successful in warding off the attacks on plastic bags.

“The plastics industry did succeed [in the early '90s] in defusing the situation enough so that plastics was off the radar screen as an environmental target for almost a decade,” said a high-ranking official in an environmental group, who asked not to be named. Taking into account all the time and effort focused on anti-plastics campaigns by groups such as the Surfrider Foundation, Heal the Bay, the Earth Resource Foundation, and Californians Against Waste, “we have little to show for our efforts,” the source said.

“The plastics industry has been fairly sophisticated and put a considerable amount of resources in the issue and proven to be a formidable adversary,” said the source.

If the industry succeeds in getting Seattle’s proposed 20 cent tax on plastic bags overturned, “any amount of money [the industry] spent will be worthwhile,” the source said.

For all of the headaches that the plastics bag issue has caused, it also has taught the industry some lessons that could be valuable in fighting other attempts to ban plastic products or chemicals used to make plastics.

“When there is an issue like [plastic bag bans], the industry has to realize there is a problem and get moving right away to solve it, instead of analyzing it to determine if there is a problem,” Hansen said. “Waiting didn’t help. Immediate action is what the public wanted.”

Seanor said he hopes that “the industry has learned that there needs to be a program of extended duration of selling the value of plastic products to the American people. We need a cohesive campaign to educate the public of the value that plastics has in society. It is the most efficient way to contest the populist ideas that are unfounded.”

Seanor said it has become clear that fighting battles just with facts is not always going to win the battle.

“What [the industry] probably should have learned is that when [something] is a very populist issue, facts don’t always count,” he said. “It becomes a problem of educating the consumer and that is a very challenging proposition.”

As ACC’s Russell puts it, the industry needs to act more with its heart and less with its head. “We need to better understand that issues have emotional drivers and maybe don’t make sense from the way [the industry] looks at them,” he said. “Human perception isn’t always data-driven, but driven by photographs and emotions.”

Because of 24-hour TV news channels and the rapid spread of information on the Web, industry has to react more quickly, he said. “Because of the different ways of information sharing, there is more opportunity for misinformation to be spread rapidly and become set in the national consciousness,” Russell said. “That means our time to respond is shorter and that we have to become more nimble.”

### **What happens next?**

There are some indications that when bag recycling programs are put into place, bag consumption goes down. For example, in the first six months after five major retailers in Austin, Texas, began a voluntary program in 2008, demand for plastic bags dropped 40 percent, plastic bag recycling increased 20 percent, and the stores sold more than 443,227 reusable bags.

“Maybe this attack on plastic bags is manifesting itself in some reduced consumption,” said Murray, hopefully.

The global economic recession also has cast the discussion in a different light.

“I’m fearful that we have a limited window of opportunity and can’t always be so greedy with the policies we pursue, because the public sentiment may not be with you forever,” said one source who works for a California environmental group. “I think the window may already have passed for state policymakers to adopt” either a ban or 25 cent tax, the source said.

Grande agreed: “The issue has not gone away, but I think the issue has basically lost some of its sense of urgency because of the economic climate,” he said. “The only effective way for legislators to address this issue is with a ban or a tax, and no one wants to do that right now.”

But a California legislative expert warned that if the industry thinks the issue is going away, it is sadly mistaken. “The biggest danger I see today is the industry thinking that the issue will go away because of the economic climate. It is not going to go away,” the source said.

Hansen said the industry should work to develop a solution. "It is going to require some form of extended producer responsibility to change the situation," she said. "Manufacturers have to say they recognize the problem and that they are going to participate in the solution. If they propose a solution to solve the issue of litter, responsible environmental groups won't blow them off."

CFECA is working with state legislators to get some form of an extended producer responsibility bill passed, in which bag manufacturers would pay an upfront fee, based on the number of bags manufactured and the estimated cost to municipalities of litter cleanup.

"We want manufacturers to be responsible for the downstream effect their products have," Grande said. "That would make us leaders, instead of followers."

Despite the challenges ahead, bag manufacturers believe their business is not going away, only that it will be different.

"There are hard times ahead. We have a black eye, a bad reputation. But plastic bags are not going away. They will still be here," Grande said. "But they will probably be bigger and thicker because what most people are upset about is litter.

"We need to figure out a way to make plastic bags the reusable bag. Then a lot of what people are upset about will go away," he said.

In the long term, governments need to help create a market for recycled film, Grande said, because when virgin resin prices drop, there is no financial incentive to collect plastic bags and little interest in bags with recycled content.

One option could be recycled-content mandates.

Seanor agreed. "Something is only recyclable if it has an economic value," he said. "A huge part of the incentive for recycling film has been taken away in the past six months because of the drop in cost of oil, gas and petrochemicals."