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Timothy G. Phelan
President

Sen Myer, Representative Gentile, Sen Chapin, Representative Shaban and members of the Environment Committee,

I am Tim Phelan and I am the President of the Ct Retail Merchants Association and I am here today to testify in opposition to HB 6437, An Act Concerning a Mattress Stewardship Program. As you know CRMA is a statewide trade association representing some of the world's largest retailers as well as the state's main street merchants. Today our focus is on the many Ct retailers that sell mattress and other bedding direct to customers.

Before I begin with my specific reasons for opposition to this bill, I want it to be known to all parties involved in this issue, in particular the Sen. Co – Chair of this Committee Senator Meyer and Representative Pat Widlitz, of our profound respect for their work on this issue.

We simply disagree about many parts of this bill but we respect their views and we hope they respect ours as well.

With regards to the bill we have a number of issues that we will continue monitor and hope they are worked out, but I would like to highlight two major objections.

First, the funding mechanism by which this new program will be administered would fall directly on Ct consumers in the form a new fee or in our opinion a new tax.

Retailers would be required to add this new fee to the purchase price of a new mattress along with a brief description of why this new fee is added. This would obviously add additional cost to the Retailers to reprogram systems but more importantly it would raise the purchase price of the mattress, thereby putting us at a competitive disadvantage with surrounding states and online, web based retailers who will have no obligation to follow this scheme should it become law.

Any additional fees that are added to the cost of a purchase of ANY item in today's economy could and most likely would drive business away from Ct retailers. Proponents of this idea may be willing to take the risk that customers will understand, but for the hundreds of Ct retailers that sell mattress that is too risky a bet and in some cases could be a fatal one.

The second major objection we have is in Sec 3. The language appears to prohibit a retailer from charging a fee to collect from the customer the old mattress when they deliver their new mattress. This

language would radically change the way many retailers operate and in some ways dictate how they interact with their customers while also inadvertently add MORE discarded mattress onto the curbside.

For example, a retailer who currently sells a mattress to a customer with an additional fee added in for the take away of their old mattress would be prohibited from charging that fee for pick up of the old mattress. Many retailers include the cost of pick up INTO the purchase price and have current contracts with haulers to remove the old mattress. That feature of the sale is very popular with customers. Many retailers use that as selling point and in a competitive marketplace work the price into their business plan.

Other retailers, like CRMA Board member Tom Wholley from Ct Mattress who will also testify on this bill, charge a separate fee for the take away of an old mattress and use a portion of the disposal fee to give back to the community in form of charitable contributions.

Sec 3 of the bill would appear to eliminate both methods of take away of old mattress and that in turn would discourage ANY retailer from takeaway of old mattress ,leaving customers with no choice but to put that mattress on the curb.

Now maybe that is the intent of the bill, have ALL mattress place curbside so that "Council" can direct pickup, but for Retailer's it strikes at the heart of our business – customer service.

Good customer service – building that personal relationship with that customer - is the hallmark of successful retailers and sec 3 of the bill would severely hamper that effort.

Finally, as we mentioned there are other parts of this bill that we are simply not comfortable with. Anytime our customers have to pay mandated fee's it hurts our business. And in this case, despite what the proponents might suggest, NO OTHER state in the region is considering this type of legislation. Once again Ct retail businesses, the main street small business that drive a good economy, are placed on an Island all alone.

We believe until a national model can be found and enacted by Congress the existing system is sustainable. Emerging recycling markets have begun to take hold and we think this Committee and the General Assembly should focus on growing those markets rather than forcing a new program and another "fee" onto Ct residents and thereby hurting Ct. Retailers.

Thank you for your time. I would be happy to answer any questions you might have.