Testimony by Tim Phelan, President, Connecticut Retail Merchants Association
Environment Committee
March 11, 2019

and members of the Committee, thank you very much for the opportunity to
submit testimony for your consideration on Senate Bill 1003 and House Bill 5019,
concerning the use of single-use plastic and paper bags, and establishment of a
five-cent tax.

My name is Tim Phelan, and I am president of the Connecticut Retail Merchants
Association, representing retail businesses all across our state. I appreciate the
interest of this committee in this issue, and I also appreciate your interest in
maintaining a strong, vibrant and thriving retail community.

Retail businesses large and small, well-known national names and home-grown
mom and pop storefronts, provide good jobs for Connecticut families and great
support for local communities. More than 98 percent of all retail companies are
small businesses, employing fewer than 50 people.

I am sure you know, just by reading the daily headlines, that brick and mortar
retail businesses have significant challenges. Even as we grapple with those
challenges, the best interests of our customers and the communities in which we
live are important aspects in everything we do.

Overall, retailers in our state support more than 470,000 jobs and contribute
more than $34 billion to the state’s economy. There are roughly 42,000 retail
establishments in Connecticut, and in total, the retail industry produces
approximately 14 percent of Connecticut’s total GDP. As much as any other
industry, retail is the lifeblood of commerce in Connecticut, indispensable to our
economy and our quality of life.

There is little doubt that public opinion and public policy is moving in the
direction of limiting, and perhaps eliminating, single use bags in most
circumstances. We are aware that some communities – in Connecticut and
elsewhere – are instituting policies locally, even as the states in which they are
located are considering taking action.

From our standpoint, a uniform, consistent statewide policy is a much sounder
approach. For retail businesses with multiple locations in our state, the costs of
having to respond to varying, and ever-changing, local policies would ultimately be greater than responding to a uniform policy. So, we would urge you to consider that carefully, as you receive input from the communities you represent.

There also are a number of decisions that need to be made on the road to effective legislation – decisions which can really make a difference in the effectiveness and implementation of any new law. These include any exemptions which may be included, the size, weight and materials of the bags that would be included in the legislation, and how any fees would be distributed, if they are imposed.

We would welcome the opportunity to assist you in developing a statewide policy, so that the interests of Connecticut retailers can be considered as various approaches, timetables and requirements are deliberated.

We recognize the environmental implications of longstanding practices. Although the use of plastic bags by customers of our member retailers is remains widespread, many of our members are also offering customers the option of using their own reusable bags. Not all customers are comfortable doing so. Many are. It is important to recognize both those facts as you consider these proposals.

There are other possible impacts worthy of consideration. Let me briefly mention four:

- A statewide requirement on the use of reusable bags presents a serious potential loss prevention issue for our members. Loss prevention is a continuing challenge for retailers, and we are concerned that widespread use of reusable bags in ALL types of retail stores could be one of the negative unintended consequences.

- Because our membership is diverse, from large multi-state retail department stores, to men’s and women’s in-state clothing stores, with each store using a different type of plastic bag, the definitions of what type of plastic bag is allowable and which ones are not are also of great importance to our membership.

- Regarding a possible fee, while it may not seem to be a lot of money on its surface, brick and mortar retailers among our members are under intense pressure to keep costs down so that customers shop in their stores - as opposed to making that purchase where no fees are charged.

- We also remain sensitive to how this may impact retailers along the borders with neighboring states, where the requirements may be different. For instance, even with a relatively small fee, the fact that there is a fee at all could impact consumer behavior, and push purchases outside Connecticut.
Day in and day out, retail businesses need to balance a budget, sustain good jobs in a turbulent economy, and meet the challenges of increasing competition, particularly from the growing number of on-line options. Anyone who knows a retailer in your community understands how challenging it can be, and just how precarious it can be.

Retailers in Connecticut already pay high corporate taxes, are routinely among the highest property tax payers in the town they operate in, and face high fixed costs, such as rent, energy – which is the highest in the nation – along with increasing costs for workers compensation, health care, to name just a few.

These proposals should be considered in the context of other legislation proposed in this session that would impact retailers and our customers. We need to avoid taking one step forward, and two steps backward.

Thank you very much for the opportunity to share this testimony with you. We look forward to working with the Committee as you consider how best to proceed.