

**Austin City Council Meeting
August 4, 2011
Remarks before the Austin City Council**

Late Backup

Mayor Leffingwell, members of the City Council, good afternoon. My name is Mark Daniels and I am Vice President of Sustainability and Environmental Policy for Hilex Poly, an American manufacturer and recycler of plastic bags.

On behalf of our company and the people of Hilex, I am here today to talk about how a plastic bag ban will impact our employees and company, and why we believe recycling is a better solution.

We oppose today's resolution for three reasons.

First, a bag ban of any form will have a negative impact on jobs in Texas. The plastic bag industry has more than 15 plastic bag manufacturers in Texas employing 2,600 people. The industry supports an additional 6,200 jobs in Texas that service the market. These are our friends and our neighbors. A bag ban threatens their jobs and their livelihoods.

Second, bag bans do not solve the greater issue of litter and in fact, drive consumers to other, heavier forms of plastics displacing the issue, instead of solving it.

Finally, we believe there's a better solution – recycling. The product the ordinance proposes to ban is made in Texas, and is a bi-product of clean abundant natural gas. They are sanitary, toxic free, convenient and 100 percent recyclable and reusable. We do not believe it makes sense to put Texas jobs at risk when a comprehensive solution to litter exists, one that does not target a specific product, impact jobs or limit consumer choice.

Let me provide some background about our company and the plastic bag industry. Hilex Poly has 1,250 associates throughout the nation and is part of an industry that directly employs more than 10,000 Americans. Three of Hilex's facilities are located right here in Texas. There are also thousands of other jobs that provide products and services in support of this important American-based industry. As I mentioned, in Texas the plastic bag industry has more than 15 plastic bag manufacturers who employ 2,600 Texans and I am one of them. A bag ban puts these jobs at risk. That's why it is my distinct pleasure to speak on behalf of several of our associates that took their day off to be here today in hopes of protecting their livelihoods.

- These are the people behind the bags.

Austin's proposed bag ban will not only impact the people of Hilex and their families, it will also come at a cost to the consumer – limiting their choice and adding to their

grocery bills if a plastic bag ban or tax is implemented. As costs for alternatives get passed along or bags are taxed, those who can least afford it are hit the hardest.

Even more unfortunate, even if bags were banned, it will do little to address the greater environmental issue of litter.

First, eliminating plastic grocery bags displaces the issue. Let me explain. Nine of ten people reuse plastic grocery bags. You use them to pick up pet waste, line the garbage bins, or carry your lunch. Banning plastic bags will force people to other forms of plastics for these every day uses. This was the case in Ireland when a plastic bag tax was implemented. While it reduced the number of plastic grocery bags, it *increased* the sales of heavier gauge plastics by 400%. Those are products like heavy duty garbage bags.

Second, as evidenced by TexDOT's own litter study; plastic bag litter in Texas is only a fraction of one percent. This is consistent with other litter surveys in the country that show that by volume, plastic bags are only a fraction of a percent of total. Banning a single product does not address the greater issue of litter. Coincidentally, we are working with TexDOT on manufacturing the plastic bags they provide as litter bags for cars - a Texas company making plastic bags to alleviate litter.

No one wants litter – whether it's plastic bags, cigarette butts or candy wrappers. It's unpleasant to see, and as Texans (like me) know, it's not welcoming in our community or to visitors that fuel an important tourism industry.

We agree, and we don't want to see our product disposed of improperly.

But the fact is a bag ban doesn't solve this problem. Nor does it address other forms of plastics.

On the other hand, recycling does.

Hilex Poly has a record of leadership in recycling. We operate the country's largest closed-loop plastic bag recycling facility recycling all forms of plastic films.

The plastic bags your newspaper comes in, we recycle that. Dry cleaning garment bags, we recycle that. Tissue and toilet paper wrap, we recycle that. There's hardly a plastic wrap that we don't recycle.

Hilex takes old bags and through a closed-looped recycling system turn them into new ones, creating bags made with elevated levels of recycled content. The more material we can collect and recycle, the higher the level of recycled content in the plastic bags. Other companies use old bags to create products like composite decking, piping and playground equipment- products we rely on every day.

In Texas, we've worked with Kroger grocery chain and others to implement a closed loop system that collects the used plastic bags and wraps, send them to our recycling facility, we shred, wash and compound the scrap into post consumer pellets that we put right back into Kroger bags.

We'd like to see more successful partnerships like these. Implementing comprehensive plastic bag recycling allows us to take plastic bags and wraps out of landfills, and repurpose them into new products.

Hilex is committed to growing this effort and has worked with retailers to distribute 30,000 recycling bins across the country to make it easier for people to take their bags back. Simply bring your bags, wraps, and films back to the store and drop them in one of our bins.

Last year, Hilex alone recycled more than 100 million pounds of bags, sacks and wraps, the equivalent to 6.6 billion bags. In the past two years, 5.5 million pounds was from the state of Texas alone. That is enough post-consumer recycling to manufacture more than 181 million new bags made of recycled plastic.

We're proud of the work we're doing. We've invested millions of dollars, creating jobs, to make advancements in plastic bag and wrap recycling. There's a demand for old bags, and the more we recycle the more green jobs we can support and create.

We applaud the Texas Retail Association for its work piloting a bag recycling program. The goal of that program was to decrease plastic bags going to the landfill by 50% and results show that the program was very successful. Retailers reduced the issuance of plastic bags by 20%; increased their recycling rate by 74% and sold 907,000 reusable bags. It's impressive and we'd like to see the momentum continue.

Recycling makes sense and offers a comprehensive solution. Meanwhile, banning plastic check-out bags only addresses a fraction of the issue, forcing consumers to other products that exacerbate the environmental problems these bans set out to solve.

Hilex Poly has a record of leadership in recycling, not only plastic bags but all plastic films and wraps – but we can do even more if we take a collaborative approach with the recycling industry, policy makers and the public – rather than banning a 100 percent recyclable product that punishes consumers.

We urge the council consider the true costs of banning plastic bags and look at the opportunity provided by plastic bag recycling. We hope to be part of that conversation and bringing our expertise to the table.

A bag ban is not the answer. It puts jobs at risk and does not address litter.

Recycling provides a comprehensive solution that reduces litter, creates job and helps create a cleaner environment. Hilex Poly is committed to working with communities to develop recycling programs that are available and accessible to consumers, but also helps achieve our collective goal of a cleaner environment.

Thank you for your time.

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