



Testimony on Extended Producer Responsibility

The once vibrant restaurant industry in New York is currently undergoing a daunting rebuilding process after being decimated by the COVID-19 pandemic, which did severe damage to an already low-margin industry. Prior to the pandemic, the restaurant industry was one of the largest private employer groups in the state, employing more than 650,000 New Yorkers. Countless communities rely on these businesses to provide jobs and serve as the economic engines of local downtowns.

It's important to frame the struggle many restaurants are currently going through. Rising costs and lack of available staff have forced many owners to completely change their business models, and quite frankly many are still struggling to make ends meet. We continue to ask the Governor and State legislature not to pass bills that add additional burdens to an industry that is in desperate need of real relief.

The NYS Restaurant Association is opposed to the above referenced legislation as it would create significant logistical burdens on an industry that was rightfully exempted in Governor Hochul's original proposal as well as in both Oregon and Colorado where the responsibility lies with the manufacturers.

As currently written, these bills would classify almost all restaurants with more than one location as "producers" subjecting them to higher fees when it comes to discarding covered recyclable materials and forcing a myriad of compliance measures on them that they are completely unfamiliar with. It would be extremely difficult to expect a restaurant to track the type and tonnage of materials they order into their business.

Most restaurants do not produce packaging, and many do not have a wide variety of choices available to them. They work with their suppliers and distributors to choose the best packaging that meets their needs and the needs of their customers. It also would be impossible for restaurants to eliminate these materials from their business model. More and more of these businesses rely on delivery to provide customers with the type of experience they are looking for. Food delivery necessitates the use of plastic and paper to ensure food gets delivered safely. We need cups to be thick enough to protect customers from hot beverages. We need sandwich wraps thick enough that they prevent germs from going through the paper onto the sandwich as it gets passed to the customer.

The much larger wholesale companies that provide the products to restaurants have staff that can track the types of materials they are shipping, and the tonnage of those materials far better than any restaurant could. By excluding the restaurant and putting this requirement back on the company that shipped the product to the restaurant, tracking will be more accurate, and reporting will be more centralized. Also, these companies are not going to be the ones who end

up paying this fee in the end anyway. Restaurants will pay more for the products they order from manufacturers, ensuring no matter who is defined as a producer the law will have the intended effect.

Small businesses, which many franchisees are, don't have the ability to dictate the materials used to create the products they have to use. They use what is available to them that will work for the product they are serving and at the cost they need. We should not be expecting them to become experts in this space and instead keep the definition of producer with the actual manufacturers.

Again, we understand the need to continue to push the State to a "greener" way of doing business. However, this should not be done through mandates on businesses that do not have the existing infrastructure to handle these systemic challenges.

Respectfully Submitted,

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NYS Restaurant Association