



**New York State Joint Legislative Budget Hearing on the Environment
January 27, 2020**

**RE: Article VII – Transportation, Economic Development and Environmental Conservation
Part PP Expanded Polystyrene Foam Container and Loose Fill Packaging Ban**

Testimony submitted by Michael Kracker, Executive Director, Unshackle Upstate

Unshackle Upstate, a non-partisan, pro-taxpayer, pro-economic growth, education and advocacy coalition made up of business and trade organizations from all parts of Upstate New York, respectfully opposes the Executive Budget Proposal Article VII, TED, Part PP, which would prohibit the sale and use of polystyrene foam foodservice containers and loose fill packaging.

One significant concern is the impact this proposal would have on New York's manufacturing industry, particularly in Upstate. New York is one of the largest manufacturers of polystyrene in the country, with approximately 2,000 individuals employed in the industry. These manufacturing facilities, located in Upstate communities of Canandaigua, Bloomfield, Albany, Buffalo, Rochester, Syracuse, Plattsburgh Cohoes, West Seneca and Middletown, have a tremendous economic impact. As Upstate New York continues to face significant economic challenges, we simply cannot afford to enact policies that will destroy good paying, middle class jobs.

In addition to the negative impact on New York's manufacturing industry, this proposed ban would hurt the food service industry. By outlawing polystyrene products, foodservice businesses would be forced to purchase alternative products, which are anywhere from two to four times as expensive as styrofoam.

These added costs could be detrimental to many businesses, particularly small independent companies that often operate on tight margins. Coupled with rising labor rates, increasing regulatory burdens and other impediments imposed by Albany, this could make operating a business too expensive. Many businesses would be forced to pass those additional costs on to consumers, while others may shut down entirely.

These additional costs would not just impact private business. Schools, hospitals, municipal buildings and other institutions would also be required to purchase more costly alternative products. According to the American Chemistry Council, a 2011 Fiscal Impact Report determined that a similar ban could cost New York State and municipal governments as much as \$50 million. These additional costs would need to be covered by taxpayers, putting many municipal governments under further strain to stay within the 2% property tax cap.

The negative economic impacts of this proposal are clear. It is also important to point out that this proposal would have little to no positive impact on our environment. The production of polystyrene products requires an estimated 50 percent less energy to produce than alternative products. As the state seeks to achieve its ambitious emissions reduction goals, it should be noted that polystyrene creates significantly less greenhouse gas emissions than a similar plastic-coated paperboard cup with a corrugated cup sleeve.

Supports of a ban have argued that polystyrene cannot be recycled – this is simply not true. Companies throughout the state including facilities in Buffalo and Cohoes are currently recycling thousands of pounds of polystyrene product a month and putting people to work in the process. New York State should dedicate more resources to improving and increasing our recycling infrastructure.

Upstate New York is home to some of the most treasured natural resources in the country, and we must work to protect our environment. In doing so, however, we must fully consider the potential costs and benefits. The proposed ban on polystyrene will most certainly have a negative impact on Upstate's already ailing economic climate. The preferred positive environmental benefit seems to be working with the industry to build out our recycling infrastructure and educating the public, not a costly and ineffective product ban.

For these reasons, Unshackle Upstate strongly opposes this polystyrene ban and increased the Governor and Legislature to work with the industry on viable solutions to addressing environmental concerns.

On behalf of Unshackle Upstate, I would like to thank the committee for the opportunity to provide testimony and for your consideration of our position.

Respectfully,



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