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**New York State Senate and Assembly Committees on Environmental Conservation  
Hearing on Packaging Reduction**

*Testimony submitted by Ashley Ranslow, New York State Director for the National Federation  
of Independent Business (NFIB)*

NFIB is a member-driven organization representing close to 300,000 small businesses across this country and over 11,000 in New York State.

NFIB members are the businesses that define our neighborhoods and strengthen our communities with character and value. Local hardware stores, independent restaurants, florists, dry cleaners, convenience stores, farmers, roofers, landscapers, mechanics, and retail boutiques; these are NFIB members.

There are close to 500,000 small businesses with employees in New York. These businesses employ half the state's private-sector workforce, nearly 4 million New Yorkers, and their production accounts for nearly half of the state's GDP. A strong, vibrant small business eco-system supports local tax bases, governments, and schools. Sixty-seven cents of every dollar spent at a local small business is reinvested into the community.

It's well established that small businesses are local job creators and the bedrock of the state and regional economies. These neighborhood employers still face unprecedented challenges post-COVID, including record inflation, supply chain disruption, rising utility bills, unnecessarily high state Unemployment Insurance taxes, and an exodus of workers from the labor force. After years of immense financial hardship, these small businesses in your districts and hometowns should be valued and celebrated as you consider any new laws or regulations that make it more difficult or expensive to do business in New York.

While NFIB understands and appreciates the need to reduce and minimize packaging and improve New York's waste management and recycling infrastructure, an Extended Producer Responsibility (EPR) program, as proposed in A.5322/S.4246, is not practical, affordable, or manageable for small businesses and the state's economy. The existing EPR proposal covers a wide range of materials used every day in small businesses, including paper, cardboard, plastic, glass, or metal (or a combination of the aforementioned), and contains burdensome requirements and unworkable restrictions that would add to the cost of doing business. However, the legislation does not contemplate the total cost of implementing EPR or the impact it would have on the market or economy.

The proposal leaves the complete overhaul of New York's waste management and recycling infrastructure to a "packaging reduction and recycling organization (PRRO)" on an impossible timetable, which would inevitably result in bans on a wide range of products critical to business operations. This comes at a time when small businesses are still grappling with significant supply chain disruptions that have required businesses to pivot and be flexible in the materials that are purchased or utilized.

The legislation also bans twelve categories of chemicals, including products that contain trace amounts of the chemical, which would severely limit packaging and material choices. Many of these chemicals are used in food preservation, medical device packaging, or device protection and small businesses may be left without viable alternatives, which could lead to significant business disruptions. Furthermore, mandating a 50% reduction by weight in certain packaging materials within 12 years is inflexible and could wreak havoc on small business and consumer choice. The mandates fail to contemplate increased demand for certain products or changes to market share and would be a drag on the state's economy.

EPR creates new regulatory and compliance burdens on small businesses and will unavoidably lead to increased costs for New Yorkers and Main Street. Any efforts to reduce packaging and improve the state's waste management and recycling infrastructure must be intelligent, flexible, practical, and affordable. Proposals to impose product bans, strict one-size-fits-all mandates, and layers of bureaucracy limits consumer choice while also making doing business in the state more expensive. At a time when small businesses continue to struggle and contend with unrelenting financial headwinds, New York should not pass legislation that is yet another example of our state's onerous regulatory environment. This legislation is in direct conflict with any efforts to encourage small business growth and recovery in New York. Instead, the Legislature should focus on ways to support small business and make the state more hospitable to the Main Street businesses that are essential to our economy and communities.

Thank you for the time and consideration.