March 20, 2019

The Honorable Philip Ting
California State Assembly
State Capitol Building
Sacramento, California 95814

Position: Oppose
Location: Assembly Natural Resources Committee

Re: AB 161 (Ting) Solid waste: paper waste: electronic proofs of purchase (As Amended March 19, 2019)

Dear Assemblymember Ting:

We the undersigned are writing to oppose AB 161, legislation that would require businesses to offer electronic receipts unless customers ask for paper copies. The legislation refers to a report citing environmental and health risks associated with paper receipts.

Environmental
Paper receipts are made from a renewable resource: trees. Sustainably managed forests sequester carbon and promote biodiversity. Switching to electronic proofs of purchase will not “save trees.” Demand for paper products creates the incentive for forest landowners to keep forests as forests, rather
than converting forest land to other uses. After use, paper receipts are recyclable. Receipts are routinely recycled at paper mills as part of mixed paper or sorted office paper bales.

Paper receipts are safe for consumers and point-of-sale employees. U.S. manufacturers do not use BPA in receipt paper, and the major importers do not import papers that use BPA coatings. Scientific literature supports that exposure to chemicals through receipt papers is within the protective Proposition 65 safe harbor thresholds.

**Retail, Restaurants and the Tourism Community**
Proposing a mandatory electronic receipt as the default transaction record between a consumer and a business or other entity comes with unique impacts to the small restaurant, hospitality, and tourism community throughout California. While seeking to reduce unnecessary paper use is a laudable goal, the financial costs, logistical hurdles, and consumer privacy must be considered when mandating electronic receipts as the default.

Businesses, small and large, throughout the state use “point of sale” (POS) systems to manage a wide variety of financial information and document transactions by generating traditional receipts. Many of these POS systems are not currently equipped to generate electronic receipts. In order to comply with the requirements in AB 161, many businesses would have to replace their POS systems, disproportionately impacting smaller businesses and, depending on the number of registers, could impose massive costs on these businesses.

Recent NFIB research has shown that small businesses spend a disproportionate amount of time and money to comply with regulations and government mandates, and AB 161 would only add to this burden. Nearly 60% of small business owners say it’s difficult for them to understand and manage government regulations at all levels, resulting in nearly 200 hours and $60,000 per year spent on compliance annually.

**Privacy Issues**
Additionally, AB 161 will create significant operational challenges with customer purchases. In order for a customer and a business to execute and complete a transaction with an electronic receipt, a customer would have to provide some personally identifiable information, holding up lines of customers to collect individual, personally identifiable information from other customers to meet the default mandate set out by AB 161. With California’s recent passage of the California Consumer Privacy Act (CCPA) and its wide-ranging impact on the collection and management of consumer data, the legislature should consider treading lightly in this area as numerous pieces of legislation seek to alter the CCPA.

While most small businesses do not currently have the technology and infrastructure required under AB 161 to provide receipts electronically, thus creating clear upfront costs to small businesses, it also creates a new layer of liability regarding data security. While some large employers may have legal departments and in-house experts to protect against lawsuits, small businesses, especially minority-owned small businesses with language barriers, would be disproportionately impacted by potential lawsuits stemming from new data security threats under AB 161.
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cc:  Ms. Melissa Immel, Deputy Legislative Secretary, Governor’s Office  
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