

Plastic Bag Industry Could Face \$55 million Initiative Season

October 13, 2015

The American Progressive Bag Alliance (APBA) is seeking to halt California’s statewide plastic bag ban with two measures: A referendum on SB 270, which has already been certified for the November ballot; and a new initiative, the “Environmental Fee Protection Act,” which would direct all revenues from any statewide plastic bag ban to a specified government account. If the latter measure is qualified for the November 2016 ballot, the plastic bag industry will be managing two campaigns: A “no” campaign on the referendum and a “yes” campaign on their initiative.

How much could these two campaigns cost?

In February, Forward Observer published a [research brief](#) projecting November 2016 campaign budgets based on the past behavior of successful “yes” and “no” ballot initiative campaigns. We estimated a “no” campaign in 2016 would spend \$38.1 million and a “yes” campaign would spend \$17.2 million.

Running both a “yes” and a “no” campaign could cost \$55.3 million:

Campaign	Budget
“No” Campaign (referendum)	\$38.1M
“Yes” Campaign (initiative)	\$17.2M
TOTAL	\$55.3M

(A detailed explanation of our methodology is below.)

Who would finance these campaigns? Based on contribution records for the APBA ballot committee that gathered signatures to place a referendum on SB 270 on the ballot, four companies (one each from South Carolina and New Jersey and two from Texas) have provided 95% of the funding to date.

If each of these companies were to maintain their share of contributions going forward, the cost per company would range from a high of nearly \$30 million for Novolex (formerly HilexPoly Co.) to a low of \$6.7 million for Formosa Plastics Corporation USA:

Company	Share	Projected Contribution
Hilex Poly Co. LLC	53%	\$29.6M
Superbag Corp.	15%	\$8.3M
Advance Polybag, Inc.	15%	\$8.3M
Formosa Plastics Corporation U.S.A.	12%	\$6.7M
All other companies and small contributors	5%	\$2.5M
TOTAL	100%	\$55.3M

Methodology

We estimated the 2016 ballot campaign budgets by averaging the *successful* major ballot committees over the past three election cycles. In total, out of 23 “big spender” ballot initiative campaigns in the past three cycles, 15 were successful – a success rate of 65% – spending an average of \$29.8 million.

- There have been nine successful big spender “no” campaigns; they spent an average of \$38.1 million. (See Figure 1)
- There have been six successful big spender “yes” campaigns; they spent an average of \$17.2 million. (See Figure 2)

Figure 1. Expenditures of Big Spender “No” Campaigns Since 2010

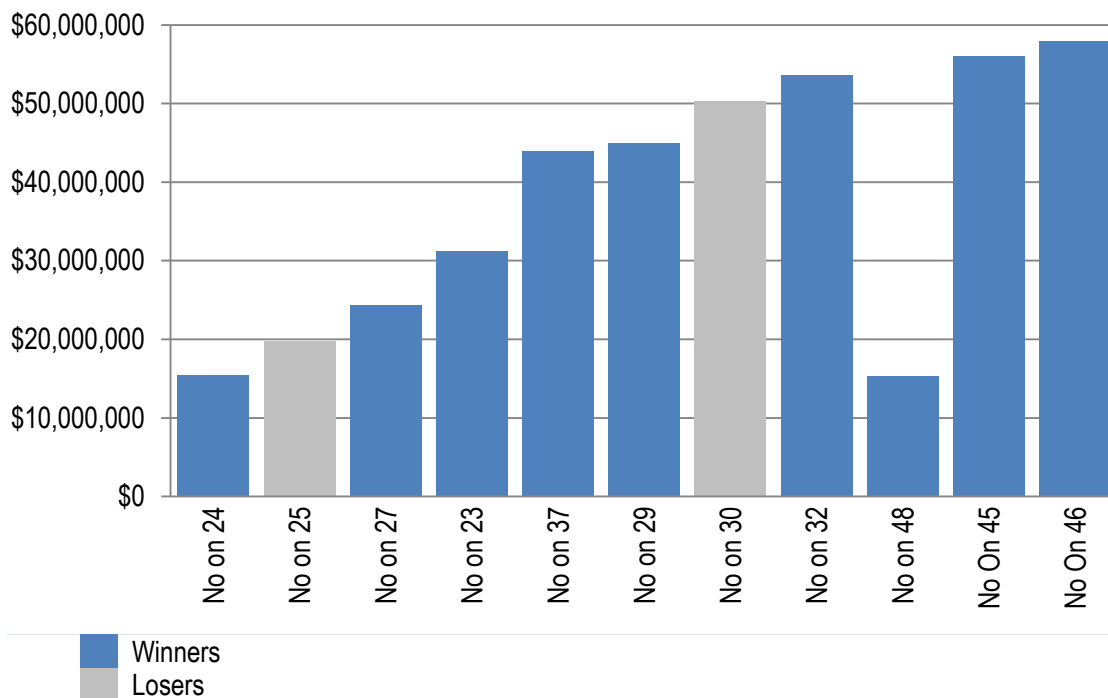


Figure 2. Expenditures Of Big Spender Campaigns "Yes" Campaigns Since 2010

