



**TO: Chair, Rep. McKeown**  
Members of House Committee on Transportation and Economic Development

**FR: Joe Gilliam**  
President, Northwest Grocery Association  
joe@nwgrocery.org

**RE: HB 4089**

February 7, 2016

Chair McKeown,

On behalf of the Northwest Grocery Association, and our 935 retailers, wholesalers, manufacturers and suppliers that support the Pacific Northwest's grocery industry we urge your NO vote on HB 4089.

We strongly believe that the type of pallet is a choice each entity considers as it evaluates safety needs, ability to reuse, convenience and environmentally sustainability and cost effectiveness. This decision, based on multiple factors, must be left to the supply chain.

There are several reasons why it is impossible to exclusively use cardboard pallets. Among them:

- Cardboard pallets are not engineered to be placed in racking and are unsafe;
- Cardboard pallets are considerably more flammable than wood pallets;
- Current Vendor Agreement require product to be delivered on #1 wood pallets;
- The US industry standard is wood 40X48 pallets and our vendors are not equipped for cardboard;
- Cardboard pallets will get wet and unstable when shipped in refrigerated trailers;
- Cardboard pallets do not nest like plastic pallets and could cause additional trips/expense to return to the distribution center;
- Cardboard pallets would cost more and would increase the cost of goods.

As drafted HB 4089 is a purchasing preference for corrugated pallets vs. wooden pallets. We are very concerned about the precedent this bill sets for those entities doing procurement with the State and for private business in future legislative sessions. It seems to create a precedent that would impact commerce and safety if it expanded.

As noted above, the unintended consequences pose potential health and life safety risks throughout the supply chain, disrupt logistics and increase costs.

**We urge you to set aside HB 4089 for the February 2016 Session.**