



May 8, 2025

Honorable Buffy Wicks  
Chair, Assembly Appropriations Committee  
State Capitol  
Sacramento, CA 95814

## RE: OPPOSE AB 405 (Addis) – Request to Hold on Suspense File

Dear Chair Wicks,

On behalf of the California Retailers Association (CRA) and the undersigned associations, we urge you to oppose AB 405. While we share the goal of environmental stewardship, this bill imposes costly, redundant mandates that worsen affordability for Californians, strain state resources, and undermine existing sustainability initiatives.

### AB 405 EXACERBATES AFFORDABILITY CHALLENGES

California's cost of living is already the highest in the nation, with average monthly expenses exceeding \$3,800.<sup>1</sup> AB 405's mandates, *which apply to all retailers not just fast fashion*, would force businesses to absorb compliance costs linked to duplicative emissions reporting and supply-chain oversight. These costs could inevitably raise prices for essentials like clothing and household goods. At a time when federal tariffs threaten to increase apparel prices by 8% and grocery costs by 2.8–4%.<sup>2</sup> AB 405 compounds financial strain on families already grappling with inflation.

### DUPLICATIVE REGULATIONS UNDERMINE EXISTING LAWS

California already leads in environmental accountability through comprehensive laws that AB 405 needlessly duplicates:

- **SB 253 (Wiener):** Requires Scope 1–3 emissions reporting for large corporations starting in 2026.<sup>3 4</sup>
- **SB 62 (Durazo):** Strengthens labor and environmental standards for garment workers.<sup>5</sup>
- **AB 1817 (Ting):** Bans PFAS in textiles.<sup>6</sup>
- **SB 707 (Newman):** Implements textile recycling and consumer education programs.

<sup>1</sup> <https://www.movingwaldo.com/where-to-live/cost-of-living-california/>

<sup>2</sup> <https://www.cnbc.com/2025/05/04/retailers-urge-shoppers-to-buy-before-trump-tariffs-raise-prices.html>

<sup>3</sup> <https://ww2.arb.ca.gov/2023-senate-bill-253-wiener-scott-climate-corporate-data-accountability-act-chaptered>

<sup>4</sup> <https://www.persefoni.com/blog/california-sb253-sb261>

<sup>5</sup> <https://www.fashionrevolution.org/advocating-for-californias-garment-workers/>

<sup>6</sup> <https://www.bcpp.org/resource/ban-pfas-in-textiles-ca-ab1817-ting/>

AB 405's overlapping requirements for emissions baselines and reduction targets conflict with SB 253's phased reporting framework, creating compliance confusion. Retailers are already investing in California's circular economy goals, including textile recycling (SB 707, Newman 2024) and sustainable packaging (SB 54, Allen 2021). Adding AB 405's mandates diverts resources from these initiatives.

## FISCAL IMPACT ON CALIFORNIA'S BUDGET AND SERVICES

The state faces potential cuts to Medi-Cal, CalFresh, and SSI-programs vital for 7.3 million Californians in poverty.<sup>7 8</sup> AB 405 imposes new administrative costs on the state through DTSC and CARB, agencies already managing SB 253 rulemaking and hazardous waste regulations. Expanding their authority to monitor global supply chains would require millions in unallocated funds, further straining a budget prioritizing healthcare, wildfire recovery, and affordability.<sup>9 10</sup>

## TARIFFS AND REGULATORY BURDEN THREATEN RETAILERS

Retailers are navigating unprecedented challenges: **145% tariffs** on Chinese imports, rising lumber/steel costs, and evolving climate rules.<sup>11 12</sup> A 2024 study found state regulations cost small businesses **\$134,000 annually**.<sup>13</sup> AB 405's redundant mandates would deepen this burden, forcing businesses to choose between compliance and layoffs while CRA members are already advancing sustainability through:

- **Renewable energy adoption** (solar-powered facilities, electric fleets).
- **PFAS-free product lines** aligned with AB 1817.
- **Textile recycling** under SB 707.

## PRIORITIZE AFFORDABILITY AND EXISTING SOLUTIONS

AB 405 risks worsening California's affordability crisis, duplicating efforts, and diverting resources from critical programs. We urge you to **hold AB 405 on the Suspense File** and focus on optimizing SB 253, SB 707, and other existing frameworks. Retailers stand ready to collaborate on practical solutions that balance environmental goals with economic realities.

Respectfully,

Ryan Allain



Director, Government Affairs  
California Retailers Association

### On behalf of:

American Chemistry Council, Tim Shestek  
California Business Properties Association, Skyler Wonnacott  
California Business Roundtable, Brooke Amour  
Center for Baby and Adult Hygiene Products, Eric Stewart  
Inland Empire Economic Partnership, Audrey Egger  
NAIOP Southern California, Timothy Jemal  
Orange County Business Council, George Boutros  
San Gabriel Valley Economic Partnership, Matthew Lyons

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<sup>7</sup> <https://calbudgetcenter.org/resources/understanding-the-governors-2025-26-state-budget-proposal/>

<sup>8</sup> <https://calbudgetcenter.org/resources/how-republican-led-budget-cuts-could-impact-californians-in-every-congressional-district/>

<sup>9</sup> <https://calbudgetcenter.org/resources/understanding-the-governors-2025-26-state-budget-proposal/>

<sup>10</sup> <https://www.gov.ca.gov/2025/04/04/governor-newsom-directs-state-to-pursue-strategic-relationships-with-international-trading-partners-urges-exemptions-of-california-made-products-from-tariffs/>

<sup>11</sup> <https://www.cnbc.com/2025/05/04/retailers-urge-shoppers-to-buy-before-trump-tariffs-raise-prices.html>

<sup>12</sup> <https://www.gov.ca.gov/2025/04/04/governor-newsom-directs-state-to-pursue-strategic-relationships-with-international-trading-partners-urges-exemptions-of-california-made-products-from-tariffs/>

<sup>13</sup> [https://www.cleanwatersocal.org/media/acfupload/reference/Cost\\_of\\_Regulation\\_Study\\_Final.pdf](https://www.cleanwatersocal.org/media/acfupload/reference/Cost_of_Regulation_Study_Final.pdf)