



February 10, 2026

John Sullivan
Costco
999 Lake Drive
Issaquah, WA 98027

Re: *Antitrust and consumer protection concerns*

Dear Costco:

On October 29, 2025, the **U.S. Plastics Pact, the Consumer Goods Forum, and the Sustainable Packaging Coalition** were formally notified in writing that Attorneys General of several States have grave concerns that the policies, coordinated initiatives, and compliance frameworks these organizations promote and prescribe to their members may constitute unlawful restraints of trade in violation of the Sherman Antitrust Act. Those notices further advised that participating companies' related conduct and representations may also implicate applicable state and federal consumer protection laws.

You are receiving this letter because you have been identified as a current member of one or more of those organizations and may be participating in, implementing, or enforcing the policies and coordinated practices identified in the October 29 notices. You are hereby placed on notice that continued adherence to, coordination under, or reliance upon these policies may expose your organization to liability under the Sherman Act, state antitrust laws, and applicable consumer protection statutes. Membership in, or guidance from, an industry association does not immunize anticompetitive conduct or consumer harm from enforcement scrutiny.

Accordingly, you should reasonably anticipate that the undersigned States may seek additional information regarding your organization's participation in these initiatives, including through formal investigative demands, subpoenas, or other compulsory legal process, and you are advised to take all necessary steps to preserve documents, communications, and data relevant to these matters.

Multiple advocacy organizations have cropped up to pressure companies into artificially changing the output and quality of their goods and services in way that normal market forces would not otherwise bring about. For example, the UN Environment Programme and the Ellen MacArthur Foundation advocate for a “New Plastics Economy Global Commitment,” which seeks “to change how we produce, use, and reuse plastic” by, among other things, “eliminat[ing] the plastics we don’t need.”¹ The U.S. Plastics Pact has issued “targets” that its members must agree to reach, which include eliminating certain “problematic or unnecessary” plastic packaging and reaching artificial product content and recyclability goals.² Similarly, GreenBlue’s Sustainable Packaging Coalition desires “alternative ways to approach the package/product system.”³ And The Consumer Goods Forum is seeking to “transform[] how our industry designs, produces and manages plastic packaging in order to accelerate progress towards our vision of a circular economy.”⁴ These advocacy organizations want to remove products from the market without considering consumer demand, product effectiveness, or the cost and impact on consumers of a replacement product.

These advocacy organizations depend on “collective action” to achieve their consumer-unfriendly objectives.⁵ For example, U.S. Plastics Pact recognizes that “[o]ur individual actions and piecemeal activities alone will not get us any closer to a circular economy for plastics”⁶ and “will not achieve these targets.”⁷ The Consumer Goods Forum likewise recognizes that “under different circumstances,” the companies in these projects “might not normally have come together to act.”⁸ These advocacy organizations have all the trappings of the sort of “adverse, anti-competitive effects” that the antitrust laws seek to prevent.⁹

This form of collective, coordinated action closely parallels recent industry initiatives advanced under the “net-zero” banner that prompted substantial legal scrutiny by State Attorneys General. In those instances, Attorneys General raised serious antitrust, fiduciary, and consumer protection concerns regarding the participation of insurers in the Net-Zero Insurance Alliance, financial institutions in the Net-Zero Banking Alliance, and asset managers in related net-zero initiatives. In each case, when legal risks were identified, participating companies elected to withdraw from those arrangements, resulting in the dissolution or material abandonment of the initiatives and obviating the need for further enforcement action.

¹ UN Environment Programme, *The New Plastics Economy Global Commitment*, <https://www.unep.org/new-plastics-economy-global-commitment>.

² U.S. Plastics Pact, *Let’s Take Action*, <https://usplasticspact.org/take-action/>.

³ GreenBlue Sustainable Packaging Coalition, *About Innovation*, <https://sustainablepackaging.org/our-pillars/innovation/>.

⁴ The Consumer Goods Forum, *Commitments & Achievements*, <https://www.theconsumergoodsforum.com/planet/plastic-waste/about/our-achievements/>.

⁵ U.S. Plastics Pact, *Leading the Way to a Circular Economy for Plastic Packaging*, <https://usplasticspact.org/>.

⁶ U.S. Plastics Pact, *What is the U.S. Plastics Pact?*, <https://usplasticspact.org/about/>.

⁷ U.S. Plastics Pact, *Let’s Take Action*, <https://usplasticspact.org/take-action/>.

⁸ The Consumer Goods Forum, *Mission*, <https://www.theconsumergoodsforum.com/planet/plastic-waste/about/mission/>.

⁹ See *United States v. Brown Univ.*, 5 F.3d 658, 668 (3d Cir. 1993) (citing *Tunis Bros. Co. v. Ford Motor Co.*, 952 F.2d 715, 722 (3d Cir. 1991)).

These collective organizations' governance structures and prescribed member commitments materially resemble the coordinated conduct that gave rise to those prior investigations. The experience in those matters is instructive: once State Attorneys General identify credible concerns under Section 1 of the Sherman Act and analogous state antitrust statutes, as well as related fiduciary and consumer protection issues, continued participation in collective industry arrangements presents increasing legal and oversight risk. Companies that re-assessed and disengaged in response to such scrutiny acted to mitigate antitrust exposure, preserve independent decision-making, and maintain compliance with applicable law, while avoiding the escalation of litigation, regulatory, and reputational consequences.

The targets, coordination, and pressure to institute changes on plastics are particularly relevant in light of a recent federal court decision denying a motion to dismiss the antitrust and consumer protection claims that State Attorneys General have filed against BlackRock, Vanguard, and State Street. *See Texas v. BlackRock, Inc.*, No. 6:24-CV-437, 2025 WL 2201071, at *24 (E.D. Tex. Aug. 1, 2025). In its order, the court relied on parallel conduct allegations based on the fact that the defendants "publicly joined climate initiatives promoting goals that naturally resulted in the reduction of coal output," and "confirmed these climate-based goals through public statements." *Id.* at *13. The court specifically focused on the commitments that the initiatives sought from signatories. *Id.* at *15. The court's reasoning is instructive as we evaluate whether your company has taken steps that may be unlawfully restraining trade or otherwise harming consumers.

The undersigned Attorneys General, as chief law enforcement officers, have a duty to protect the citizens of our States from unlawful business practices. Such unlawful practices can consist of "facially anticompetitive restraints or reduced output, increased prices or reduced quality in goods or services,"¹⁰ or "an agreement not to compete in terms of price or output."¹¹ Numerous courts have focused on the antitrust issues surrounding reduced quality. "[T]he ability to degrade product quality without concern of losing consumers" has been identified as "proof of monopoly power."¹² This is because "[a]n agreement 'to make a product of inferior quality ... count[s] as [an] output reduction,'" which are illegal.¹³

Intentions, including environmental goals, do not excuse violations of the law. Restraints on competition "cannot be justified solely on the basis of social welfare concerns."¹⁴ Indeed, a supposed "potential threat that competition poses to the public safety" is insufficient, and there is no exception "for potentially dangerous goods and services."¹⁵ An argument "that an unrestrained market in which consumers are given access to the information they believe to be relevant to their choices will lead them to make unwise and even dangerous choices ... amounts to 'nothing less than a frontal assault on the basic policy of the Sherman

¹⁰ *U.S. Horticultural Supply v. Scotts Co.*, 367 F. App'x 305, 309 (3d Cir. 2010) (citing *Gordon v. Lewistown Hosp.*, 423 F.3d 184, 210 (3d Cir. 2005)).

¹¹ *In re NFL's Sunday Ticket Antitrust Litig.*, 933 F.3d 1136, 1151 (9th Cir. 2019) (quoting *Nat'l Collegiate Athletic Ass'n v. Bd. of Regents of Univ. of Okla.*, 468 U.S. 85, 109 (1984)).

¹² *United States v. Google LLC*, 747 F. Supp. 3d 1, 118 (D.D.C. 2024) (citation omitted).

¹³ *In re German Auto. Manufacturers Antitrust Litig.*, 392 F. Supp. 3d 1059, 1069 (N.D. Cal. 2019) (internal quotations omitted; cleaned up).

¹⁴ *Brown Univ.*, 5 F.3d at 669 (citing *Nat'l Soc'y of Pro. Eng'rs v. United States*, 435 U.S. 679, 695 (1978)).

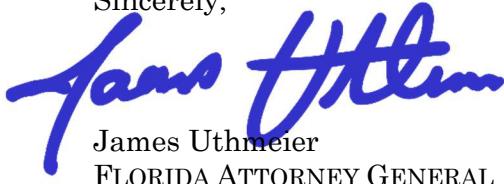
¹⁵ *Nat'l Soc'y of Pro. Eng'rs*, 435 U.S. at 695.

Act.”¹⁶ No matter how noble any advocacy organization believes its intentions may be, they must be pursued within the confines of the law.

In addition to antitrust laws, the various consumer protection laws of our States may also be implicated. For instance, members of the U.S. Pact, Consumer Goods Forum, or Sustainable Packaging Coalition who fail to meet “targets” or targets, or otherwise set unrealistic goals at the urging of the advocacy organizations, risk misleading consumers by failing to disclose material facts regarding the viability of an unrealistic and artificial advocacy organization agenda. The advocacy organizations and their members also may be misleading consumers about the benefits of achieving the targets or about the alleged harm that the advocacy organizations seek to avoid. Once again, we stand ready to enforce our laws and protect our consumers.

If you are a continuing member of one or more of the organizations that received the October 29, 2025 letters, we request that you provide a response to these concerns to AttorneyGeneral.Letters@myfloridalegal.com. Please explain in detail the legal basis justifying your belief that your membership or coordination with any plastics advocacy organization is not violating antitrust or consumer protection laws. Please also provide all documents that support your position. We look forward to receiving and evaluating your response.

Sincerely,



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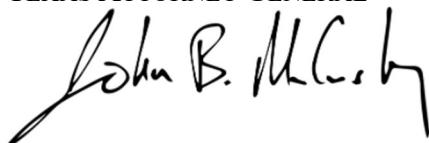
¹⁶ *FTC v. Ind. Fed'n of Dentists*, 476 U.S. 447, 463 (1986) (internal quotations omitted) (quoting *Nat'l Soc'y of Pro. Eng'rs*, 435 U.S. at 695).



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