



**Harris
Teeter**

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Commissioner Steve Troxler
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Commissioner Troxler,

It is my understanding that a tare weight receipt requirement is on the agenda at the upcoming National Conference on Weights and Measures (NCWM) Annual Meeting from July 15, 2018 to July 19, 2018. On behalf of Harris Teeter, I write to respectfully request that you oppose and withdraw S&T Item 3200-3 (formerly S.1.8.5) Recorded Representations, Point of Sale Systems, which was voted out of the NCWM S&T Committee in January and is moving forward as a voting item at the 2018 NCWM Annual Meeting in July.

This proposal would require that tare be printed on the register receipt for each item weighed at the point of sale. The sale of all produce, salad bar items, and bulk items such as coffee, nuts, cereal, candy, etc., will require the tare to be printed on the receipt. This would be in addition to the current requirement of net weight, unit price, total price, and the product class or, in a system equipped with price look-up capability, the product name or code number.

As stated by the originators of S&T Item 3200-3, the purpose is to “provide verification to consumers through recorded representation that tare has been taken at point of sale for sales from bulk.” Our members also have a vested interest in customer satisfaction and have made great strides to ensure that customers are happy with their grocery shopping experience. To this end, we have had zero customers request that tare weight appear on their register receipt despite millions of produce and bulk transactions per year across the state of North Carolina. If anything, this will likely result in confusion as most customers are not familiar with tare weight.

Harris Teeter has a vested interest in keeping food not just safe, but affordable. If S&T Item 3200-3 is approved by the National Conference on Weights and Measures (NCWM), it will be extremely costly to the industry, and these costs are ultimately passed onto the consumer. Harris Teeter has encountered similar experiences over the years with seemingly minor software changes that have cost individual stores \$45,000 to implement. Tare is already inspected on a regular basis through the North Carolina Department of Agriculture, so it seems excessive to implement this requirement for an item where there has been no customer outcry, yet will prove cumbersome and costly for stores to implement.

As you know, tare is entered into a retailer’s system to account for packaging on random weight, but that number does not print out on register receipts. Therefore, retailers would be required to implement extensive and costly system updates and redesigns. In order to comply, redesigning how a point of sale system captures price and sales information will require software development,

labor costs, testing, possible equipment upgrades, employee training, and consumer education. This also means that each register will need a software change, multiplied by the number of registers in the store, and then multiplied by the number of stores owned across North Carolina. This will be a significant cost for both chain and independent retail operations, all of whom already run on a very thin margin.

To add further complexity to software changes, many grocery stores have “self-weigh” or “scan it” systems located in the produce department. In this situation, a customer can weigh their produce, and print a scale label that shows the net weight, unit price, and total price as well as the product name. The scale label also contains a barcode that will be scanned at the POS. In this instance, the produce does not need to be weighed again at the front-end because it has already been weighed in the produce department. Tacking on tare weight to the register receipt will require software development in the self-weigh system plus new barcode specifications.

In an ever-evolving and extremely competitive grocery market, another question we have received is how this would apply to online businesses offering home meal delivery kits. Many customers now couple routine grocery shopping with home meal kit options. While home meal kit options offered by traditional retail locations would be subject to this requirement, inspection and enforcement – would the same be true of home meal delivery kit options from online competitors? If not, you are giving the online businesses that offer home meal delivery kits an unfair competitive advantage over traditional grocery stores.

The retail grocery industry is a dynamic part of the North Carolina economy, accounting for about \$28.5 billion in output. It employs approximately 168,500 North Carolinians who earn wages and benefits of about \$5.1 billion (Food Marketing Institute 2017 Economic Impact Study).

In short, the cost to industry and eventual cost to consumers versus the benefit of S&T Item 3200-3 – for something that is already routinely inspected for accuracy – does not add up. Harris Teeter appreciates the opportunity to comment on this important matter, and we share your commitment, as well as that of NCWM, to ensure honesty and equity in the marketplace for both consumers and the business community.

I greatly appreciate your time and consideration of this important issue and respectfully request that you oppose and withdraw S&T Item 3200-3.

Please do not hesitate to contact me with any questions.

Sincerely,

Jacob Phares
Vice President
Harris Teeter

cc: Stephen Benjamin, NCDA&CS, Standards Division
Laura Kilian, NC Department of Agriculture
Don Onwiler, Executive Director of the National Conference on Weights and Measures