

The Seattle Times

Friday, May 29, 2009 - Page updated at 07:16 PM

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Costco will accept food stamps at East Harlem store

By **Melissa Allison**

Seattle Times business reporter

Two days after saying it will test the acceptance of food stamps at stores in Queens and Brooklyn, Costco Wholesale added a third New York City store that is scheduled to open next year.

Initially, the chain said it would expand the test to future stores in New York if initial tests go well. Today's announcement explicitly includes a store in East Harlem that has been at the center of the food-stamp debate for Issaquah-based Costco.

Company officials have said that they are not convinced there will be sufficient demand among its members to justify accepting food stamps, but they are reconsidering that position in light of the economic challenges people face in this recession.

Costco's announcement earlier this week was misunderstood, CEO Jim Sinegal said in a press release.

"It was always our intention to include the new 116th Street [Harlem] location, either as part of the ongoing test or as a permanent fixture," he said. "[W]e did not mention 116th Street specifically because we wanted to be inclusive of all planned locations, some of which have not been publicly announced."

Sinegal said he received a phone call from Rep. Charles Rangel, D-N.Y., and "we now understand the special sensitivity in New York to this long-awaited project in his district. So, to remove any doubt we may have inadvertently caused, Rep. Rangel asked that we make this clarification. We are grateful to Mr. Rangel for the respect he showed for our company in bringing this to our attention."

Earlier this week, Costco's chief legal officer, Joel Benoliel, said the food-stamp program could be expanded even further.

"The logic would say that if it was a success and there was a strong demand for it, we would look at doing it in other places," he said.

The New York City Coalition Against Hunger praised Costco for beginning to accept food stamps.

"Food stamp recipients will be able to benefit from lower prices, the company will earn more income — and hopefully be able to create more jobs,"

Joel Berg, the coalition's executive director, said in a statement, "We hope that this new policy works so well that Costco soon expands it to every store in the nation."

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