



LOS ANGELES COUNTY
SOLID WASTE MANAGEMENT COMMITTEE/
INTEGRATED WASTE MANAGEMENT TASK FORCE
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July 21, 2015

The Honorable Bob Wieckowski, Chair
Environmental Quality Committee
State Capital Room 2205
Sacramento, California 95814

Dear Senator Wieckowski:

ASSEMBLY BILL 1063 – LAST AMENDED JULY 15, 2015
SOLID WASTE CHARGES: OPPOSE

The Los Angeles County Solid Waste Management Committee/Integrated Waste Management Task Force (Task Force) **opposes** Assembly Bill 1063 (AB 1063) as amended July 15, 2015. Among other things, this bill would:

- Substantially increase the Disposal Fee imposed on operators of disposal facilities for each ton of solid waste disposed at their facility from the current rate of \$1.40 per ton to \$5.00/ton (an increase of over 250%, generating an additional \$137 million per year, based on 2013 disposal rate) effective January 1, 2017. The Fee would then be reduced to \$3.50 per ton effective January 2022.
- Create and impose a new fee (Solid Waste Generator Charge) on all solid waste generators, including residents, businesses, public institutions, and self-haulers throughout the State, effective January 1, 2019. Initially, the Charge is set to generate \$15 million/year through December 31, 2021. Effective January 1, 2022, the Solid Waste Generation Charge would be established based on the Department of Resources Recycling and Recovery's (CalRecycle) annual operation cost.
- Declare that the bill is to take effect immediately as an urgency statute.

Revenues derived from the above fees would be allocated towards activities that promote recycling and what CalRecycle deems as the highest and best use of materials.

Pursuant to Chapter 3.67 of the Los Angeles County Code and the California Integrated Waste Management Act of 1989 (Assembly Bill 939 [AB 939], as amended), the Task Force is responsible for coordinating the development of all major solid waste planning documents prepared for the County of Los Angeles and the 88 cities in Los Angeles

County with a combined population in excess of ten million. Consistent with these responsibilities and to ensure a coordinated, cost-effective and environmentally sound solid waste management system in Los Angeles County, the Task Force also addresses issues impacting the system on a countywide basis. The Task Force membership includes representatives of the League of California Cities-Los Angeles County Division, County of Los Angeles Board of Supervisors, City of Los Angeles, the waste management industry, environmental groups, the public, and a number of other governmental agencies.

The July 15, 2015, amendments were developed with little engagement of the select-stakeholders and appear to have solely been developed by CalRecycle staff and a chosen few which, to the best of our knowledge, excluded cities in Los Angeles County and the County. The lack of engagement by the most affected/impacted stakeholders combined with the lack of adequate transparency by CalRecycle may explain why the tipping fee would be increased more than three and half-fold without compelling justification for such substantial increase.

Since the enactment of AB 939 and subsequent enacted statutes, cities and counties have worked extremely hard and have borne a significant cost to maximize their solid waste recycling activities while minimizing their solid waste landfill disposal. As a result, jurisdictions across the State have reduced their solid waste landfill disposal by over 60 percent as compared to 1990. With the provisions of AB 1063, jurisdictions would be penalized by the State because of its aggressive recycling program implementation which has caused a reduction in the revenues being generated by landfill tipping fees and collected by CalRecycle. CalRecycle has been well aware of this structural problem with their current revenue generation mechanism, and yet have elected to ignore the issue completely. Now, they are proposing to penalize jurisdictions for their success in reducing their disposal tonnages via AB 1063 as amended on July 15, 2015.

In order to assist CalRecycle in addressing their existing fee structural problem while considering the dilemma posed on cities and counties to collect the proposed Solid Waste Generator Charge, the Task Force offers the following for CalRecycle's consideration:

1. Finalize and release the final report that was required by AB 341 (Chapter 476, 2012) as stipulated in Section 41780.02 of the Public Resources Code including, but not limited to, Subdivision (b) (4), (5), and (7). This report is intended to provide the legislature with, among other things, recommendations for legislative changes (including, but not limited to fees) that are necessary to achieve the 75 percent source reduction, recycling, and composting goal established pursuant to AB 341. The Task Force assumes the report has been completed, as it was due more than one and a half years ago, however, the Task Force is left to wonder what CalRecycle is hiding otherwise the report would have been released as required by law.

2. Review and eliminate any unnecessary rules, regulations, policies, procedures, and guidelines which are currently in existence and promote micromanagement by CalRecycle and/or currently being developed and pursued by CalRecycle; an example are the guidelines currently being finalized by CalRecycle as a part of AB 1826 (Chesbro, 2014) implementation. Laws which require guidelines and/or frequently ask questions (FAQ) with wide-spread consequences throughout the State ought to have a transparent stakeholder regulatory process in which the resulting regulations carry the weight of law. However, CalRecycle has chosen to forego this process, instead releasing guidelines for AB 1826 and AB 1126 (Gordon, 2013). These guidelines do not carry the weight of law and thus are merely interpretations of said legislation which leaves affected jurisdictions to only wonder if they will be reinterpreted at a later date when CalRecycle so chooses.
3. Implement approaches that reflect the changing nature of the solid waste management system. For example, CalRecycle has long supported Extended Producer Responsibility (EPR) as a mechanism to alleviate local governments from the expensive practice of managing solid waste. However, CalRecycle has not introduced legislation that would create an EPR system for difficult to manage wastes. For example, placing a fee on manufacturers who create the waste that local governments must manage would incentivize manufacturers to redesign their products to minimize components, including packaging, that need to be managed.
4. Rather than place all of the revenue loss on disposal facilities, consider imposition of a tipping fee at all non-disposal facilities to provide for the loss of revenues from the disposal facilities' tipping fees.
5. Avoid any mandate(s) on local governments requiring them to collect "fees", "charges", "assessments", "taxes", or any other revenue generating mechanisms from cities' and counties' residents and businesses, and then transfer said revenues to the State. Local governments are already stretched in complying with the diversion and recycling mandates placed on them. To then force them to collect on behalf of the State in order to recoup decreased revenue reinforces the notion that CalRecycle is out of touch with the difficulties jurisdictions are experiencing complying with solid waste requirements and lack of viable alternative options.
6. Recognize and mitigate the fact that residents, businesses, and other stakeholders at the local level will care little that the proposed fees and increases are from the State. They will only see that their waste management, recycling, and collection rates are going up, and will balk, making it very difficult to implement the local rate increases. As such, any fees assessed should be charged and collected directly by the State/CalRecycle, rather than being imposed upon local governments for collection and administration.

7. If local governments are to be required to collect fees on behalf of the State, CalRecycle should reimburse local governments for collection. As stated above, local governments are already stretched thin complying with State solid waste management requirements; at the very least the State should repay local governments for this service.
8. Develop a set of criteria in concert with affected stakeholders for grant/loan eligibility/distribution. In order to assure fair and equitable distribution of funding, criteria must include factors involving population and State geographical location. For too long, the Los Angeles County region has been short-changed when it comes to recouping funding it has provided to the State for solid waste endeavors.
9. Deposit all revenues generated pursuant to AB 1063 in the Integrated Solid Waste Management Account. Limit the use of any funds out of the Account to CalRecycle only and prohibit the use of these funds by other CalEPA member agencies, as well as any other State agency or fund/account.

For the reasons described above, the Task Force **opposes** AB 1063 as amended on July 15, 2015. The Task Force welcomes a transparent process for this proposal and would appreciate inclusion thereof. Should you have any questions regarding this matter, please contact Mr. Mike Mohajer of the Task Force at MikeMohajer@yahoo.com or at (909) 592-1147.

Sincerely,



Margaret Clark, Vice-Chair
Los Angeles County Solid Waste Management Committee/
Integrated Waste Management Task Force and
Mayor, City of Rosemead

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cc: Governor Edmund G. Brown
Governor Brown's Deputy Legislative Secretary Martha Guzman-Aceves
Assembly Member Das Williams
Each member of the Senate Environmental Quality Committee and Staff
CalRecycle (Ken DeRosa, Scott Smithline & Christine Hironaka)
California State Association of Counties
League of California Cities
League of California Cities, Los Angeles County Division

The Honorable Bob Wieckowski

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Each member of the Los Angeles County Board of Supervisors

San Gabriel Valley Council of Governments

South Bay Cities Council of Governments

Gateway Cities Council of Governments

Westside Cities Council of Governments

Each City Mayor and City Manager in the County of Los Angeles

Each City Recycling Coordinator in Los Angeles County

Each Member of the Los Angeles County Integrated Waste Management Task Force