

REQUEST FOR APPROVAL

To: Scott Smithline
Director

From: Jeff Hunts
Manager

Request Date: June 1, 2016

Decision Subject: Covered Electronic Waste Recovery and Recycling Payment Rates

Action By: June 21, 2016

Summary of Request: The Electronic Waste Recycling Act of 2003 (Public Resources Code 42460, et seq) establishes a financing mechanism to develop an infrastructure to provide convenient recycling opportunities and reduce the inappropriate disposal of certain electronic products discarded in California.

Pursuant to PRC 42477 and 42478, CalRecycle has the responsibility to evaluate the standard statewide covered electronic waste (CEW) recovery and recycling payment rates every two years and to adjust them if warranted to reflect the average net costs of providing the CEW recovery and recycling services intended by the Act. CalRecycle must act now to determine whether any payment rate adjustments are necessary in order to meet the statutory date of July 1, 2016.

Recommendation: Based on industry cost data reported by participating collectors and recyclers, along with staff analysis of these data, and taking into consideration that there will inevitably be market fluctuations that impact future costs and revenues, staff recommends that the standard statewide recovery payment rate specified in Title 14 of the California Code of Regulations, section 18660.33, and the standard statewide combined recovery and recycling payment rate specified in 14 CCR 18660.34, be increased.

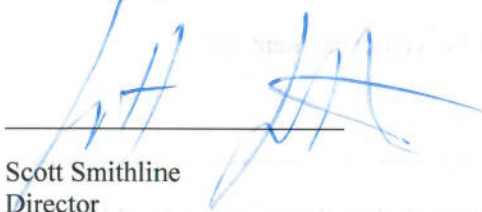
Specifically:

- Staff recommends that the Standard Statewide Recovery Payment Rate, as delineated in 14 CCR 18660.33, should be increased from 18 cents per pound to 19 cents per pound.
- Staff recommends that the Standard Statewide Combined Recovery and Recycling Payment Rate, as delineated in 14 CCR 18660.34, should be increased from 44 cents per pound to 49 cents per pound.
- Staff recommends that these payment rate changes be made immediately, effective July 1, 2016, as applicable to the CEW transfer and/or claim conditions contained in existing associated regulation.
- Staff recommends that the rate increases and effective date be achieved through the applicable edits and amendments to Title 14 of the California Code of Regulation, as outlined in Attachment 3 of this document.

Upon approval staff will immediately make the necessary filing with the Office of Administrative Law to enact the recommended rate increases.

Note: This Request for Approval contains specific proposed regulatory language necessary for filing with the Office of Administrative Law.

Director Action: On the basis of the information, analysis, and findings in this Request for Approval, I hereby approve the staff recommendation that the standard statewide recovery payment rate specified in 14 CCR 18660.33, and the standard statewide combined recovery and recycling payment rate specified in 14 CCR 18660.34 be increased as specified and, in doing so, fulfill CalRecycle's obligations pursuant to PRC 42477 and 42478.



Scott Smithline
Director

6-24-16

Date Signed

Attachments:

1. Background on Payment Rate Considerations
2. Detail and Context of 2015 Net Cost Report Analysis
3. Proposed Revised Regulatory Language