

Comments and New Ideas Capture

Comment Capture FGW # 7	
IV. Improve Cash Flow / Increase Revenue	
IV.A:) A. Add new beverages types	
IV.A:) Beverage types are the driver of “IN” the program (current interpretation/implementation of the program)	
IV.A: 1,2,5,6: 0) 1. Wine & Distilled Spirits	
IV.A: 1,2,5,6: 0) 2. Milk	
	IV.A: 1,2,5,6: 1. For context, milk is about 7% of the nationwide beverage market, in terms of number of units.
IV.A: 1,2,5,6: 0) 5. Vegetable juice over 16oz.	
IV.A: 1,2,5,6: 0) 6. Fruit juice over 46oz.	
IV.A: 1,2,5,6: 0) A.1, A.2, A.5, A.6 - Is a single dialogue about products that are specifically excluded from the program. This is expanding products included in the program.	
	IV.A: 1,2,5,6: 1) There's probably little or no chance of this ever getting past the legislature.
	IV.A: 1,2,5,6: 4) Including products specifically excluded from the program could increase the quantity of redeemed CRV material to the point where it overwhelms some smaller recyclers.
	IV.A: 1,2,5,6: 5) Small amounts of miscellaneous materials would be hard for recyclers to manage and present to processors (e.g., aseptic & gable-top).
	IV.A: 1,2,5,6: 6) Can CalRecycle confirm if there are competitive markets, domestic and/or export, for aseptic, gable-top and foil pouch containers? The concern is when delivering aseptic, gable-top and foil pouch containers material to a processor, the processor may not have a legitimate market in which to sell these materials.
	IV.A: 1,2,5,6: 7) Will there be sufficient redeemed volume for the aseptic, gable-top and foil pouch containers to support markets? The Act cannot ensure that these markets for these materials exist and are viable.
	IV.A: 1,2,5,6: 8) There is a wide disparity in per container weights between wine and spirit containers and smaller containers already in the program. This impacts processing fee calculations based upon a per container value. This leads to small containers subsidizing the larger containers generally associated with wine and spirit products.
	IV.A: 1,2,5,6: 9) HDPE is a negative net CRV (see chart provided) and would decrease if you added milk.
	IV.A: 1,2,5,6: 10) There could be a differential rate applied to the same material type with different beverages types and the size of the container determining the redemption value of the container. This would help reduce the impact of lost CRV in the curbside stream.

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IV.A: 1,2,5,6: 11) Adding specifically excluded products to the program creates the blending of buy back and curbside objectives. If the consumer is encouraged (added CRV) to redeem more material that is currently non CRV, it is likely to result in the removal of added beverage containers from the curbside stream. This lowers the value of curbside recovery and creates additional costs for the consumer on their utility bill.
IV.A: 1,2,5,6: 12) The original goals of the program included reducing litter and increasing recycling. (Litter studies were done in the early years of the program.) The litter aspect now seems to be lost in favor of forcing recycling.
IV.A: 1,2,5,6: 12.a) The idea of forcing collection until somebody comes along and wants the material (i.e., collecting the material and hoping that a market develops) wastes recyclers' time and money.
IV.A: 1,2,5,6: 13) Curbside Operator voiced support for the idea that adding new beverage types and paying a nickel would remove valuable material from the curbside stream. To reiterate a differential rate could provide a balance of material between curbside and buyback in volume.
IV.A: 1,2,5,6: 14) Different rates could make it difficult to calculate the recycling rates. Comment in reference to IV.A: 1,2,5,6: 13.
IV.A: 4,7a,7b: 3) Adding the new beverage types could help address paying of CRV on nonCRV containers due to material management issues
IV.A: 4,7a,7b: 4) This idea will drive the utility bills for consumers up because it will decrease the value of curbside materials collected. This would not increase recycling rates. Currently there is an underground economy that is scavenging these materials and adding CRV value to these materials would incentivize further scavenging and further negatively impact curbside operators. Do not see the value of moving a pot of money from aspect of the program to another aspect of the program.
IV.A: 4,7a,7b: 5) Recommend that incentivizing recycling by adding CRV to additional products helps create a cleaner stream of material through the buyback center. Adding these materials to the program also increases their values with processing payments admin fees CRV as added values providing a revenue stream that local jurisdictions could take advantage of. The commentator is not in agreement that it would not increase recycling.
IV.A: 4,7a,7b: 7) Combining the inclusion of more beverages and their associated containers with a segregated rate eliminates the majority of confusion and complexity of the program at the buyback center only.
IV.A: 4,7a,7b: 9) There is an expectation that the current 3.8 cents overhead cost for \$1 of revenue would remain the same or decrease if additional beverages were included in the program.
IV.A: 4,7a,7b: 0) A.4. In general, if beverage type is not specifically excluded from PRC definition of 'Beverage', then define beverage type is 'IN' in program
IV.A: 4,7a,7b: 0) A.7. Administrative & Operational
IV.A: 4,7a,7b: 0) A.7.a) Eliminate policy moratorium on energy shots/containers less than 2.5 oz.

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IV.A: 4,7a,7b: 0) A.7.b) Re-evaluate current policy for select product 'IN' or 'OUT' determinations
IV.A: 4,7a,7b: 0) A.4, 7.a, 7.b - Is a single dialogue about the complexity of the determination process about what products are "OUT" of the program, based on technical determinations documented in policy. Could be resolved by stronger direction from the legislature providing clear/hard definitions in legislation.
IV.A: 4,7a,7b: 2) Leakage = CRV paid on non-CRV containers. This is applicable to the commingled and segregated rate due to material management issues. There is confusion in the commingled rates. The consumer subsidizes the non CRV containers that have a clouded definition whether they are in or out of the program. An example of these issues is HDPE recycling rate at 104%. Every ready to drink beverage should be included in the program.
IV.A: 4,7a,7b: 6) Regarding what is IN or OUT, it makes no sense that a beverage container be <u>ex</u> cluded from the program because of its contents when it is identical to a container <u>in</u> cluded in the program. This is especially perverse when those containers are manufactured side-by-side on the same line. Think of bottles for Martinelli's sparkling cider and wine. Same bottle.
IV.A: 4,7a,7b: 8) History. 100% juices over 46 ounces was a distinction in the expansion of the program.. Policy rationales for exclusion of juices greater than 46 oz. included beverage versus "food" (e.g., OJ vs. Lemonade), WIC implications and single-serve versus multi-serve packages.
IV.B:) B. Add new material types
IV.B:) Material types are the driver of "IN" the program (new interpretation/implementation of the program)
IV.B: B.1,A.3: 0) B.1. In general, container type would drive inclusion in the program/subject to CRV
IV.B: B.1,A.3: 0) A.3. Include non-beverage products, of the same material type, in the program
IV.B: B.1,A.3: 0) A.3 - Move to, and merged with B.1.
IV.B: B.1,A.3: 0) B.1 and A.3. - Products currently "OUT" of the program will be included based on material type of the container
IV.B: B.1,A.3: 0) Still beverage driven but add new materials with beverages that are determined to be IN the program
IV.B: B.1,A.3: 1) Elimination of PRC 14504 (b)(1) – The current statute creates a regulatory subsidy for materials that are not currently viable (by excluding non-recyclable containers from the program). This punishes product manufacturers who put their products in the most recyclable container types and rewards less-responsible product manufacturers. This facilitates CAW recommendations.

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IV.B: B.1,A.3: 3) Container types that do not have a viable market currently are likely being landfilled. Container type is a better fix than beverage type when expanding the program financially. Container type can provide program viability for a longer duration than increasing beverage type. Beverage type has traditionally provided 2 - 3 year of unredeemed funds available as surplus. There are processing fee issues that will need to be resolved if expanding by container type, but they can be resolved.
IV.B: B.1,A.3: 4) Beverages as the driver for inclusion should be maintained because adding container type without consideration of the content could include containers with hazardous materials in them. This can create health and safety issues for business operators and the public in general.
IV.B: B.1,A.3: 5) Processing fees can present issues based on expansion of program by container type. New products may have lower carbon footprint and will likely require higher processing fee offsets when initially brought into the program. (The processing fee offset should not only be based on recycling rates, but instead could include carbon footprint).
IV.B: B.1,A.3: 6) Expansion of material type will mean expanding beverages in the program, for example expanding into gable-tops. The ratios of beverage type to container type are linked to each other. To expand a beverage type in the program you will also be expanding the container types. The expansion of beverage type or container type to realize a short term surplus in the initial implementation could be imprudent fiscal management. The goal is to seek a global solution to the structural negative cash flow in the program.
IV.B: B.1,A.3: 7) Why is beer included but wine and spirits are not? PRC 14504(b)(2) should also be removed along with (b)(1).
IV.B: B.1,A.3: 8) Wine industry representative opposed to including wine in the program.
IV.B: B.1,A.3: 9) West Coast Protective League (representing glass-worker interests) opposes inclusion of wine and spirits in the program because it could negatively impact job creation opportunities.
IV.B: B.1,A.3: 10) Inclusion of wine bottles could have potential complexity associated with the labeling of products before filling. (Wine bottles are sometimes labeled long before they are filled and sold to consumers.)
IV.B: B.1,A.3: 11) The statute is inclusive and exclusive at the same time (i.e., including some beverages and containers and excluding others). Having a statute that is either inclusive or exclusive but not both would provide simplicity and clarity.
IV.B: B.1,A.3: 12) The Department's recommendations for expansion of the program by either container or beverage type should be restrained to existing container and beverage types and not adding wholly new products to the program. Work with what you know and what you have for efficiency.
IV.B: 2,3: 0) B.2. Aseptic Containers
IV.B: 2,3: 0) B.3. Gable Top Containers

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IV.B: 2,3: 1) The small redeemed volume of these products may not support a market causing these containers to become contaminants in the recycled material stream.
IV.B: 2,3: 2) LDPE and PS already not viable products, do not have viable markets and are examples of the above comment (IV.B: 2/3: 1))
IV.B: 2,3: 3) Alternatively, the use of incentives like CRV could increase the redeemed volumes of these materials to a point which encourages investment and creates markets to handle the materials.
IV.A: 1,2,5,6: 5) Small amounts of miscellaneous materials would be hard to manage and present to processors (aseptic & gable-top).
IV.A: 1,2,5,6: 6) Can CalRecycle confirm if there are complete markets, domestic and/or export, for aseptic, gable-top and foil pouch containers? The concern is when delivering aseptic, gable-top and foil pouch containers material to a processor, the processor may not have a legitimate market to dispose of the material.
IV.A: 1,2,5,6: 7) Is there sufficient volume for the aseptic, gable-top and foil pouch to support a market. The act cannot ensure that these markets exist and are viable.
IV.B: B.1,A.3: 2) The Container Recycling Institute supports including pouches, aseptics and gabletops in the CA program. There are a handful of programs in Canada that include gabletops, aseptics and pouches, and do so successfully. There is new technology in the UK to recycle pouches. The Carton Council has been working nationwide to increase the recycling of aseptics and gabletops. Including them in the CA system would dramatically increase the recycling rate of those materials.
NEW IDEAS FGW # 7
FGW7.New: 1.0) no new ideas were presented for capture
END