

REQUEST FOR APPROVAL

To: Caroll Mortensen
Director

From: Tom Estes
Deputy Director

Request Date: July 3, 2012

Decision Subject: Consideration of Electronic Waste Recycling Consumer Fee Levels

Action By: July 17, 2012

Summary of Request: The Electronic Waste Recycling Act of 2003 (Public Resources Code 42460, et seq) establishes a financing mechanism intended to develop an infrastructure to provide convenient recycling opportunities and reduce the inappropriate disposal of certain electronic products discarded in California. This financing mechanism is funded by a covered electronic waste recycling fee that is assessed on consumers at the time of retail purchase of a new covered electronic device.

Pursuant to PRC 42464(f), CalRecycle has the responsibility to annually assess the adequacy of the covered electronic waste recycling fee to generate sufficient revenues to fund the operation and administration of the covered electronic waste (CEW) recycling program and all other provisions of the Act. CalRecycle must determine by the statutory date of August 1, 2012, whether any fee adjustments are necessary. Any adjustments made to the fee levels would take effect on January 1, 2013.

Recommendation: Based on an assessment of CEW recovery and recycling trends to estimate possible payment obligations, and of covered electronic device sales trends to project revenue potential, and of program related State agency operational costs demands, and taking into consideration available fund reserves, staff recommends that the covered electronic waste recycling fee be adjusted to the following:

- **Three dollars (\$3)** for each covered electronic device with a screen size of less than 15 inches measured diagonally.
- **Four dollars (\$4)** for each covered electronic device with a screen size greater than or equal to 15 inches but less than 35 inches measured diagonally.
- **Five dollars (\$5)** for each covered electronic device with a screen size greater than or equal to 35 inches measured diagonally.

Upon approval of this recommendation, staff will work with the CalRecycle Legal Office to promulgate emergency regulations, as authorized by PRC 42475.2, so that the new fee levels are reflected in Title 14 of the California Code of Regulations, section 18660.40.

Director Action: On the basis of the information, analysis, and findings in this Request for Approval, I hereby approve the staff recommendation outlined above that the electronic waste recycling fee levels be adjusted to a \$3/\$4/\$5 fee scale and, in doing so, fulfill CalRecycle's obligations pursuant to PRC 42464(f) to adjust the fee as necessary to ensure operational solvency and maintain prudent reserves.

Dated:

7/17/2012

for
Caroll Mortensen
Director

Attachments:

1. Background and Summary of Program Costs and Revenue Need Considerations
2. Historical CEW Recycling Claim Volumes
3. Fee Model and Analysis