

REQUEST FOR APPROVAL

(Revised from original RFA to reflect alternative proposed fee scale)

To: Scott Smithline
Director

From: Tom Estes
Deputy Director

Request Date: July 7, 2016

Decision Subject: Consideration of the Electronic Waste Recycling Fee

Action By: July 19, 2016

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 Public Resource Code 42464(f), no more frequently than annually, and no less frequently than biennially, CalRecycle has the responsibility to 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, 2016, whether any fee adjustments are necessary. Any adjustments made to the fee levels would take effect on January 1, 2017.

Recommendation: Staff recommends that the covered electronic waste recycling fee be adjusted to the following:

- **Five dollars (\$5)** for each covered electronic device with a screen size greater than 4 inches but less than 15 inches measured diagonally.
- **Six dollars (\$6)** for each covered electronic device with a screen size greater than or equal to 15 inches but less than 35 inches measured diagonally.
- **Seven dollars (\$7)** for each covered electronic device with a screen size greater than or equal to 35 inches measured diagonally.

Staff further recommends that Title 14 of the California Code of Regulations, section 18660.40 be revised to clarify and reflect the electronic waste recycling fee levels.

This recommendation is based on an analysis of the following:

- The CEW recovery and recycling trends to estimate possible payment obligations
- The covered electronic device sales trends to project revenue potential
- Program-related operational costs
- Available fund reserves

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 \$5/\$6/\$7 fee scale and, in doing so, fulfill CalRecycle's obligations pursuant to PRC 42464(f) to review and adjust the fee as necessary to ensure operational solvency and maintain prudent reserves.

Dated:



Scott Smithline
Director

7-20-16
Date Signed

Attachments:

1. Background and Summary of Program Costs and Revenue Need Considerations
2. Historical CEW Recycling Claim Volumes
3. Fee Model and Analysis
4. Proposed Revised Regulatory Language to Maintain the Electronic Waste Recycling Fee