

Handling Fee Workshop

January 10, 2013

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Agenda

- AB1933 - What does it mean?
- What does scrap value have to do with Handling Fee?
- How Handling Fee is calculated?
- What happens now?
- Questions

AB1933 - What does it mean?

- Law took effective October 1, 2012.
- Require the per-container handling fee to be set, until March 1, 2013, at an amount that is not less than the amount of the per-container handling fee that was in effect on July 1, 2011.
- Current Handling Fee is 0.890 cents.
- Authorize the department to update the methodology and scrap values used for calculating the handling fee, as specified.

What does Scrap Value have to do with Handling Fee?

- Scrap value is not used in calculation of Handling fee.
- Scrap value is only used in calculation of Processing Fee/Payment.
- Timing issue in reference to Processing Fee Cost Study.
- Example: 2012 Processing Fee/Payment Calculation
 - Cost of Recycling (2010 Financial Statements)
 - Scrap Value (October 2010 - September 2011)
 - Processing Payment (effective January 1, 2012)
- Suggestion of COLA be applied to the Cost of Recycling to be more reflective of current costs.

What happens now?

- Current handling fee of 0.890 cents set to expire on March 1, 2013.
- Revert handling fee to 0.773 cents as calculated by 2012 Handling Fee Cost Study?

Questions?