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July 30, 2012

Ms. Caroll Mortensen, Director
Department of Resources, Recycling and Recovery
1001 I Street
Sacramento, CA 95814
Transmit via Email: BeverageContainerReform@calrecycle.ca.gov.

RE: Beverage Container Recycling Program Reforms

Dear Director Mortensen:

On behalf of the Regional Council of Rural Counties, we appreciate the opportunity to provide comments on the Beverage Container Recycling Program (BCRP) reforms that are currently under discussion and review within your Department of Resources, Recycling and Recovery (CalRecycle).

As you are know, RCRC is composed of members of the Boards of Supervisors from each of our 31 member counties. In addition, 22 member counties have formed a joint powers authority to address solid waste issues for our respective counties. In many cases, these counties operate or contract for collection services, transfer stations, recycling centers, municipal waste disposal landfills, and household hazardous waste collection programs.

We understand the Recycling Fund has a structural deficit and the long-term viability of the BCRP is of serious concern. We concur that reforms are needed to address the structural deficit of the Fund and ensure the integrity of the Program. RCRC looks forward in the coming months to participate in a collaborative effort with interested parties to address the issue.

We want to point out up front that there are two critical payments from unredeemed monies of concern to rural counties: 1) the "Handling Fee"; and 2) the City/County Payment.

Handling Fees. In most rural areas, recyclers of beverage containers are also the same entities that recycle all types of commodities (cardboard, non-CRV plastic and glass containers, copper, etc.) These recyclers are an important component of our counties' AB 939 programs. Due to the low populations and relatively low volumes of materials handled and distance to markets, these recyclers rely on the handling fees to

economically survive. Without these payments, many would cease operations, which would have a detrimental impact to our counties' solid waste diversion rates and the new statewide 75% diversion goal. Education and outreach is particularly a vital component of our recycling efforts in rural areas where facilities are not as conveniently located as in the urban area.

City/County Payment. Cities and counties receive, upon application to the State, an annual minimum payment of \$5,000 and \$10,000 respectively; larger-population cities and counties exceed the minimum amount due to a population-based formula. Most of our member counties receive the minimum payment. This money is crucial our members' education and outreach programs and for many of our jurisdictions, it is the only source of funding for education and outreach.

We would also like to mention the importance of our Local California Conservation Corps (LCCC). Many of our jurisdictions enjoy the community benefits of having a LCCC. If an alternative funding source is to be sought, it should be in place prior to any reduction in funding from the CRV.

RCRC has firmly stated the need to preserve opportunities for rural residents to recycle their containers and maintain the recycling infrastructure is vital in rural counties in order to prevent an increase in "landfilling" commodities. As such, the handling fee is central to this priority. In addition, a priority was given to preserve, as much as possible, the City/County Payment.

Again, we appreciate this early outreach and look forward to working with you on the BCRP reform.

Sincerely,

Mary Pitto
Regulatory Affairs Advocate

cc: RCRC Board of Directors
ESJPA Board of Directors