

FINAL STATEMENT OF REASONS

RECYCLING CENTER DAILY LOAD LIMITS

Title 14 Natural Resources
Division 2. Department of Conservation
Chapter 5. Division of Recycling

UPDATED INFORMATIVE DIGEST

In the original noticed informative digest, the Department identified changes that will (1) eliminate the reporting requirements for transactions of more than 250 pounds of aluminum beverage containers, and (2) reduce the daily limits for loads of empty beverage containers received from any person, operation or entity not certified by the Department for aluminum and plastic beverage containers from 500 to 100 pounds per person per day, and for glass beverage containers from 2,500 to 1,000 pounds per person per day. There have been no changes to the original noticed informative digest.

The Initial Statement of Reasons is included in the file, and there are no changes to the information contained therein.

Summary and Response to Comments

The Department did not receive any written requests for a public hearing, therefore a public hearing was not held. However written comments were received during the 45-day comment period from May 3, 2013 through June 17, 2013. A summary of each objection or recommendation made regarding the specific amendments, together with an explanation of how the reasons for making no change is included in the rulemaking file. The index of comments, summary of comments and responses to comments can be found in the comment binder (Binder #2) of this rulemaking package.

REQUIRED STATEMENTS

The creation or elimination of jobs within the State of California

The Department is not aware of any impact on the creation or elimination of jobs within the State of California that would be incurred through the proposed action.

The creation of new businesses or the elimination of existing businesses within the State of California

The Department is not aware of any cost impacts to new or existing businesses within the State of California that would necessarily be incurred to be in reasonable compliance with the proposed action. These proposed regulations will serve to clarify and make specific existing statutory requirements.

The expansion of businesses currently doing business within the State of California

Department staff made an initial determination that the proposed regulation changes would not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with other states.

The benefits of the regulation to the health and welfare of California residents, worker safety, and the state's environment

The proposed regulations intend to protect the public interest of California residents by reducing the illegal redemption of out of state used beverage containers. Reducing the daily load limits for the redemption of empty beverage containers protects the fiscal stability of the California Beverage Container Recycling Fund; minimizes negative impacts on legitimate consumers' redemption of CRV materials; and minimizes negative impacts on certified recycling center operator's ability to maintain legitimate volumes of CRV empty beverage containers. Eliminating the need for a weekly reporting requirement that will result in cost savings for all certified recycling centers in California.

Alternative Statement

The Department has determined that no reasonable alternative that it has considered or otherwise been identified or brought to the attention of the Department would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Department believes we have demonstrated that the current daily load limits for consumers redeeming empty beverage containers for CRV are much too high. The Department is unable to identify a legitimate need for consumers requiring the current daily load limits or how consumers will be unduly denied redemption opportunities due to lower daily load limits.

Any alternatives the Department would consider as alternatives to lowering the current daily load limits for consumers redeeming empty beverage containers for CRV will leave the current excessively high load limits in place continuing to provide an irresistible incentive for abuse and fraud.

Inconsistency or Incompatibility with Existing State Regulations

The Department has determined that the proposed action is not inconsistent or incompatible with existing state regulations. The proposed regulations will serve to clarify and make specific existing statutory and regulatory requirements.

Statement of Section 11346.3 (d)

The proposed regulations to reduce the daily load limits, if implemented, will remove a reporting requirement mandated by the current regulations. Currently regulations

require that all aluminum transactions over 250 pounds be documented and the data be transmitted to the Department on a weekly basis at a minimum (14CCR Section 2530(i)). The Department received 24,500 individual 250 pound reports from certified recycling center operators in calendar year 2011. The Department expects program participants to reduce their administrative costs with the removal of this reporting requirement. There is no additional programming, record keeping, reporting or other paperwork cost to California businesses impacted by the adoption of the regulation changes.

Local Mandate Statement

The Department has determined that the proposed action imposes no mandate upon local agencies or school districts and therefore requires no reimbursement pursuant to Section 17561 of the Government Code.

Financial Impact Statement

The adoption of the proposed regulation will not impose a cost on any agency, local agency or school district that is required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4 of the Government Code. The adoption of the proposed regulations will also not result in any costs or savings to local agencies; result in any costs or savings to federal funding for the state; impose a mandate on local agencies or school districts; nor have any cost impact on private persons or businesses.

Cost Impact Statements

The Department has determined that the proposed action imposes no adverse economic impact on small businesses.

Elimination of 14CCR Section 2530(i) would result in cost saving to certified recycling centers. Certified recycling centers would be relieved of all costs by eliminating the current requirement that certified recycling centers report all transactions of 250 pounds or more to the Department on a weekly basis. These proposed regulations could potentially have an adverse impact on consumers of CRV beverages that attempt to redeem loads of empty beverage containers in excess to the proposed daily load limits. However, based upon the data analysis performed by the Department, transactions in excess of 100 pounds of aluminum comprised less than 0.4% of all the transactions surveyed. Transactions in excess of 100 pounds of PET plastic comprised less than 0.9% of all transactions surveyed. Finally, transactions in excess of 1,000 pounds of glass comprised less than 0.8% of all transactions surveyed. As such, only an insignificant number of legitimate consumer transactions would be impacted by the proposed revisions to the daily load limits. Thus, it is possible that adoption of these changes might cause a very small number of private persons to visit recycling centers more frequently resulting in marginally increased costs for them.