

ATTACHMENT 2

Economic Impact Assessment Pursuant to Government Code Section 11346.3(b)

Title 14: Natural Resources

Division 7: California Integrated Waste Management Board

Chapter 3: Minimum Standards for Solid Waste Handling and Disposal

- Article 4.1: Waste Tire Program Definitions
- Article 5.4: Waste Tire Monofill Regulatory Requirements
- Article 5.5: Waste Tire Storage and Disposal Standards

Chapter 6: Permitting of Waste Tire Facilities and Waste Tire Hauler Registration and Tire Manifests

- Article 1: General
- Article 2: Review of Permit Applications
- Article 3: Permit Issuance, Renewal, Revision, Revocation, Denial, Suspension, Reinstatement, Change of Owner, Operator, and/or Address
- Article 3.5: Enforcement Criteria for Waste Tire Facilities
- Article 4: Permit Application
- Article 8.5: Waste Tire Hauler Registration and Manifesting Requirements for Used and Waste Tire Haulers, Retreaders, Used and Waste Tire Generators, and Used and Waste Tire End-Use Facilities

The proposed waste tire (WT) regulations revisions will:

- Incorporate applicable 2010 California Fire Code (2010 CFC) standards into Article 5.5., Waste Tire Storage and Disposal Standards, of Title 14 of the California Code of Regulations
- Add three (3), delete two (2), and amend twenty-six (26) definitions
- Specify requirements for a waste tire collection location
- Clarify Public Resources Code (PRC) section 42805.7 definition of tire derived product
- Simplify WT facility permit reapplication procedure
- Establish:
 - A notification requirement for an excluded WT facility
 - An application requirement for an exempt WT facility, and
 - Recordkeeping requirements for a person handling waste or used tires
- Remove requirements that the Department issue a “Cleanup and Abatement Order” before issuing a WT facility penalty, and expand and clarify the Department WT facility penalty schedule
- Specify manifest requirements for delivery of waste tires to a port terminal
- Amend references to the Department for conformity with PRC section 40400, that created the Department, and
- Correct spelling, punctuation, grammatical and typographical errors in the sections cited above.

The Department's economic impact assessment, pursuant to Government Code section 11346.3(b), is presented below.

Creation or Elimination of Jobs Within the State of California:

Surveyed businesses with waste tires indicated that there would be minimal cost impacts for each business. Therefore, the creation or elimination of jobs in California will not be affected.

Creation of New Businesses or the Elimination of Existing Businesses Within the State of California:

The primary annual economic impact would be an estimated additional 65 hours per year of recordkeeping by a non-agricultural business with waste tires. Based on December 2011 through April 2012 Department survey results, businesses surveyed reported that this would not affect the creation or elimination of businesses within California.

Expansion of Businesses Within the State of California:

Surveyed businesses with waste tires did not indicate that the proposed regulations revisions would impact the ability of California businesses to compete with businesses in other states to produce goods or services. The proposed regulations revisions are intended to create more equitable waste tire business competition within California.

Consideration of Alternatives:

Alternatives to the proposed regulations have been considered, including a "no-action alternative." The Department has determined that: 1) no alternative would be as effective and less burdensome to private persons, while at the same time protecting public health, safety, and the environment; and 2) no alternative would lessen adverse economic impact on small businesses while protecting public health, safety, and the environment. The Department has attempted to use reasonable performance standards rather than prescriptive standards and to minimize the impact on small businesses while still collecting the information required by statute.

The Department considered several alternatives associated with this rulemaking. The Department presented these alternatives to the public through several informal comment periods and public workshops.

The Department evaluated several specific alternatives to improve the clarity and accuracy of the tire program, including: modification of minor WT facility permits to allow temporary increases in permitted capacity, including 2010 CFC tire fire standards in Department tire storage regulations, and modifying tire manifesting requirements at port terminals.

The waste tire industry requested that the regulations be modified to allow temporary increases in waste tire storage when they need to process large numbers of tires for construction projects, such as: rubberized asphalt paving, lightweight fill for highway embankments, retaining wall backfill, vibration damping layers beneath rail lines, insulation layer to limit frost penetration in roadways, and landfill applications. The Department determined that developing regulations to accommodate this request cannot be implemented because: (a) PRC section 42823 specifies that "...no person shall establish a new major waste tire facility or expand an existing minor waste tire facility unless the person has obtained a major waste tire facility permit...", (b) 2010 CFC, Chapter 23, High-Piled Combustible Storage, and Chapter 25, Tire Rebuilding And Tire Storage, require waste tire facilities storing waste tires outdoors or indoors to comply with applicable 2010 CFC requirements; and (c) a local government or agency may wish to exercise its authority.

2010 CFC tire fire standards were initially incorporated into the proposed regulations. Public comments requested that the Department only refer to CFC, particularly since CFC requirements could change over time

and cause Department regulations to be out of date. The Department modified the proposed regulations to refer to the CFC.

Waste or used tire manifesting requirements at port terminals required modification since the amount of waste tires exported has increased over time, and the existing requirement to leave a completed Manifest Form copy at a port terminal did not work because a person is not available at a port terminal to accept a completed Manifest Form copy. Based on stakeholder input, the proposed regulations require the hauler to leave a completed Manifest Form copy with the waste tire generator indicating the amount of tires left at the port terminal.

Cost Savings to State and Local Government

Fiscal Effect on Local Government: Additional local government expenditures in the current and two subsequent State Fiscal Years (SFYs) would not be reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code because they are not the result of a mandate. Local agency participation as a WT facility is voluntary. The proposed regulations revisions would impose an annual recordkeeping, but not reporting, requirement on some local governments. Given the limited voluntary survey responses by local government agencies, the Department opted to use the business cost data to ensure local government costs are not underestimated. The Department estimates a local government WT facility average SFY cost would be the same as the Department’s estimated annual cost for a private sector WT facility: \$1,274. The estimated expenditures would be:

SFY 2013-14 (Q3, Q4)	\$0.19M	[300 local gov’t WT facilities x (\$1,274 / 2)]
SFY 2014-15	\$0.38M	(300 local gov’t WT facilities x \$1,274)
SFY 2015-16	\$0.38M	(300 local gov’t WT facilities x \$1,274)

Fiscal Effect on State Government: State government would have additional expenditures of approximately \$0.065M in the current SFY and \$0.130M in each of the two subsequent SFYs.

The Department would have an additional expenditure of approximately \$0.005M for SFY 2013-14, \$0.010 for SFY 2014-15, and \$0.010 for SFY 2015-16 to:

- Print and mail additional waste tire hauler registration certificates, and
- Mail and/or serve additional waste tire enforcement Administrative Complaints.

The proposed regulations revisions would impose an annual recordkeeping, but not reporting, requirement on some State government agencies. Given the limited voluntary survey responses by State government agencies, the Department opted to use the business cost data to ensure State government costs are not underestimated. The Department estimates a State government WT facility average SFY cost would be the same as the Department’s estimated annual cost for a private sector WT facility: \$1,274.

SFY 2013-14 (Q3, Q4)	\$0.06M	[92 State gov’t WT facilities x (\$1,274 / 2)]
SFY 2014-15	\$0.12M	[92 State gov’t WT facilities x \$1,274]
SFY 2015-16	\$0.12M	[92 State gov’t WT facilities x \$1,274]

It is anticipated that all State agencies will be able to absorb these additional costs within their existing budgets and resources.

The Department would have an estimated additional annual expenditure of approximately \$0.01M to:

- Print and mail additional waste tire hauler registration certificates, and
- Mail and/or serve additional waste tire enforcement Administrative Complaints.

The Department would absorb this additional cost within its existing budget and resources.

Benefits of the Regulation to the Health and Welfare of California Residents, Worker Safety, and the State's Environment

The benefits are the result of goals developed by the Department based on its broad statutory authority. The Department has worked to streamline its waste tire permit processes, equitably enforce California waste tire law, and modify California waste tire regulations to address statewide and global waste tire industry change.

California residents will have improved protection of public health, safety and the environment. Businesses with waste tires will have: more equitable waste tire business competition within California, reduced regulatory duplication, more thorough and easy to understand waste tire facility penalty criteria, and a streamlined penalty process.

Streamlined waste tire penalties allow the Department to prosecute enforcement cases more promptly than the administrative complaint process. The Department's streamlined penalty process for waste tire haulers, in effect since 2008: (1) reduced the number of waste tire hauler administrative complaints, and (2) improved compliance among waste tire haulers who voluntarily agreed to pay a streamlined penalty.

Permitted waste tire businesses will have a simplified permit renewal process. Registered waste tire haulers with ten or more vehicles will have the option to request more than one temporary registration certificate. Exempt common carriers and registered waste tire haulers delivering waste tires to a port terminal will have manifest system requirements that are easier to follow.