

CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD

Signing Statement Attached to PPSI 2nd MOU Signature Page

The California Integrated Waste Management Board (Board) has signed the PPSI 2nd MOU to continue the National Paint Dialogue process forward through December 2010. The Board endorses the goal of developing a nationally-coordinated system for the management of leftover paint, where responsibility is shared between manufacturer, retailer, recycler, government, and consumer.

However, the Board, while committed to the National Paint Dialogue process and 2nd MOU, is concerned that as written, the 2nd MOU does not adequately address performance goals and measurable outcomes.

During the Demonstration Project to take place in Minnesota from July 2008 through June 2009, and prior to the roll-out to California currently planned for January 2010, the Board would like the following issues addressed and/or finalized:

- Prior to rollout, each state should have an estimated baseline of current leftover paint collection, and the baseline data collection methodology should be agreed upon by affected stakeholders. Baseline collection parameters may include gallons of leftover paint collection, percent of available leftover paint collected, availability of collection, and cost of collection.
- Performance measures and goals should be established prior to each state's roll-out. Performance measures and goals should be customized for each affected state. The goals for leftover paint collection and recycling should represent a significant increase above that state's baseline.
- Alternatives should be developed on how to improve or revise system if collection goals are not met.
- Waste reduction, through the avoidance of leftover paint, can be counted towards meeting collection goals (if the source reduction is measurable). For example, public education to buy only the right amount of paint may result in less leftover paint, and therefore, less leftover paint will be available to collect.

The Board also is concerned that the nature of the voluntary financing mechanism has not been finalized. Without final resolution of this issue, the Board is concerned that stakeholders cannot be ensured assured that the program will be adequately funded and that it will establish a "level playing field" for businesses. Some retailers may not voluntarily collect the eco-fee at the retail level, which may result in an under-funded program, and a business "playing field that's not level." The Board believes that this critical issue must be addressed before rolling out the program to other states including California.

If PPSI participants deem that the voluntary financing mechanism ~~collection of the eco-fee at the retail level~~ has not been successful by July 1, 2009, the Board encourages stakeholders to seek the necessary regulatory authority through legislation to enable retailers or manufacturers to assess an eco-fee on paint sold in the state.

Signing this MOU does not change the Board's commitment to its Extended Producer Responsibility Framework or preclude the Board from: 1) continuing its own actions on the Framework; 2) considering additional voluntary initiatives; or 3) considering withdrawing its approval of the MOU if, after an appropriate time for evaluation, it deems implementation of the MOU to be unsuccessful.