

Waste Reduction

Despite High Diversion Rates, New Business Mandates Loom

Summary

Background

California is the nation's leader in managing its solid waste. For decades, the state has seen great success in its waste reduction efforts, setting ambitious goals and meeting or exceeding those goals on a consistent basis. The focal point of these efforts has been “waste diversion,” which is measured by calculating the total amount of waste generated in California, and comparing it to the amount that ultimately ends up in landfills. With the passage of the California Integrated Waste Management Act of 1989, local jurisdictions have been required since 2005 to ensure that a minimum of 50 percent of the solid waste that they generate never makes it to a landfill. Such waste can be diverted through recycling, composting, reuse and other waste reduction techniques.

Over the years, California has seen a massive increase in its diversion rates. Despite growth in population, employment and taxable sales, California has been improving its waste reduction rate for nearly 20 years, having diverted only 10 percent of its waste from landfills in 1989 to a 59 percent diversion rate in 2008.

To illustrate the magnitude of the state's recycling efforts, the 53.5 million tons of solid waste that was diverted from California landfills in 2007 is the equivalent of filling more than 100 football fields to a height equal to the Empire State Building. Indeed, the state as a whole has exceeded its 50 percent waste reduction requirement every year since 2005, and it is expected that recycling rates will continue to follow this trend as 2009 data becomes available. Thanks to a combination of greater awareness, outreach and effectively implemented recycling programs, the state continues to achieve great success in solid waste management.

Current

Despite this success, there continues to be a strong desire by policymakers to expand the scope of the state's waste reduction efforts. For example, the AB 32 Scoping Plan—the blueprint for how California will achieve its greenhouse gas reduction goals set by the California Global Warming Solutions Act of 2006—envisions a number of “Recycling and Waste Management” measures that will have a direct impact on California's business community, including extended producer responsibility (EPR) and mandatory commercial recycling. Generally, under an EPR program, producers of consumer products would be required to collect their products from the consumer after use in order to recycle or dispose of the product. The purpose of these proposals is to achieve additional greenhouse gas emission reductions through further waste diversion that will help California meet its AB 32 greenhouse gas reduction goals. Similar efforts to implement EPR and mandatory commercial recycling programs are occurring in the legislative arena as well.

Impact on Business/Consumers

Although the business community supports the shared goal of responsible waste management, discussion of new business mandates must be viewed through the lens of the economy, job creation and job retention. California businesses are struggling to survive in the midst of a historic recession. The unemployment rate is at near-record levels. Ensuring a healthy business climate should be a top priority for the state so that new jobs are

State Improving Waste Reduction

Year	Estimated Statewide Diversion Rate (% of generation)
1989	10%
1990	17%
1991	20%
1992	21%
1993	24%
1994	25%
1995	28%
1996	31%
1997	32%
1998	33%
1999	37%
2000	42%
2001	44%
2002	48%
2003	47%
2004	48%
2005	52%
2006	54%
2007	58%
2008	59%

Waste Reduction (continued)

created, economic activity is restored and resources are available for the state to administer its broad range of existing environmental protection programs.

Viewed from this perspective, caution must be taken when exploring new waste reduction mandates that would have a significant impact on the business community. For example, an EPR program as contemplated would prove to be a challenging and expensive undertaking for businesses when the economy and consumers can least afford it. As mentioned above, producers of consumer products would be forced to collect their products from consumers after use in order to recycle or dispose of the product. Although the goal is to impose greater responsibility on the product producer over the entire life of the product, the EPR proposal ignores the tremendous cost burden and practical compliance challenges that would accompany such a program and the subsequent higher prices that consumers would face as a result.

A commercial recycling program in California represents a more tenable alternative, if designed appropriately, for achieving environmental gains in waste management while not subjecting the business community to overly burdensome requirements or harming the economy. Such a proposal would have to consider the many business issues associated with implementing a statewide commercial recycling program—issues involving thresholds of compliance, appropriate exemptions for businesses where necessary, feasibility and local flexibility in program design.

CalChamber Position

California's success in managing its waste has provided the flexibility to postpone consideration of a costly expansion of waste reduction measures when businesses are struggling to stay afloat and keep citizens working. Rather than charging ahead on more aggressive policies like extended producer responsibility—which would increase costs to businesses and consumers during a historic recession—the state should focus on more reasoned, incremental efforts to keep California's diversion rates at superior levels without inflicting further damage to the state's ailing economy.

Reason for Position

Since 2005, California has more than met the existing requirement for diverting half its waste from landfills. Increasing the cost burden on businesses and consumers with aggressive new programs would hamper economic recovery, thereby endangering the resources needed to properly administer existing successful programs.

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