

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 they generate never makes it to a landfill. Such waste can be diverted through recycling, composting, reuse and other waste reduction techniques.

Despite growth in population, employment and taxable sales, California has been improving its waste reduction rate for decades. In 1989, California diverted only 10 percent of its waste from landfills; in 2007 it reached a 58 percent diversion rate. Using a new method of calculating waste diversion derived by the Department of Resources, Recycling and Recovery (CalRecycle), California's "diversion rate equivalent" was 65 percent in 2009.

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 2010 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 policy makers 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. Accordingly, CalRecycle is working actively to develop regulations to implement a mandatory commercial recycling program in California that would reduce greenhouse gas emissions by 5 million metric tons by 2020.

In addition, California's new Green Chemistry regulations (see highlighted article) give the Department of Toxic Substances Control broad authority to require manufacturers of certain consumer products to implement EPR programs, require the issuance of product recalls or ban products altogether.

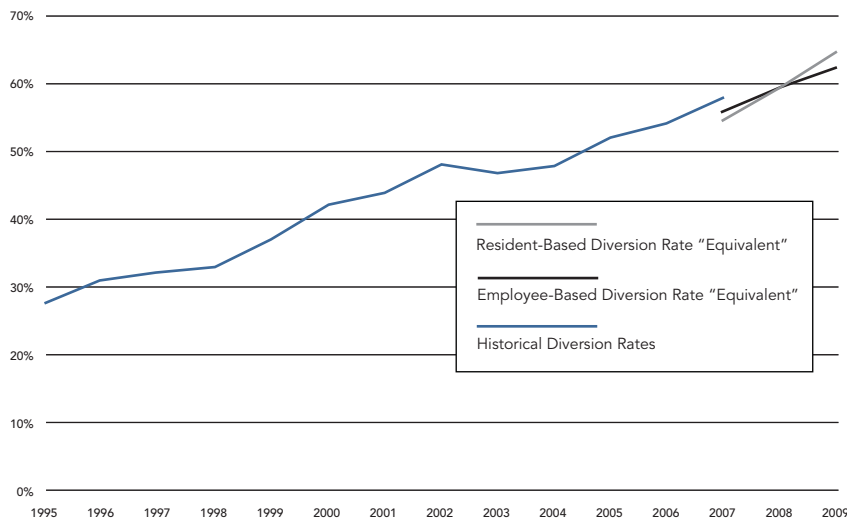
Generally, under an EPR program, producers of consumer products would be required to collect their products from the consumer after use in order to recycle or dispose of the product themselves. The purpose of these programs is to reduce overall waste and prevent the disposal of potentially hazardous materials in California landfills. In terms of the AB 32 Scoping Plan, EPR would garner additional greenhouse gas emission reductions as a result of further waste diversion, which would help California meet its AB 32 greenhouse gas reduction goals.

In the legislative arena, efforts to implement new waste reduction mandates continue as well. For example, several active bills in the last legislative session would have increased California's waste diversion mandate from 50 percent to as high as 75 percent. Other bills continued to target either specific products for new EPR mandates or sought to enact broader EPR programs that would cover a much larger scope of consumer products.

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 and the

Steady Increase in California Waste Diversion Rates



Source: CalRecycle

unemployment rate is at near-record levels. Ensuring a healthy business climate should be the state's top priority so that new jobs are created, economic activity is restored and resources are made 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 themselves. Imposing greater responsibility on the product producer over the entire life of the product ignores the tremendous cost burden and practical compliance challenges that would accompany such a program, and the subsequent higher prices consumers would face as a result.

A well-designed commercial recycling program in California, such as the one currently moving forward at CalRecycle, represents a more tenable alternative for achieving environmental gains in waste management while not harming the economy or subjecting the business community to overly burdensome requirements. Such a proposal would have to consider the many business issues associated with implementing a statewide commercial recycling program—including thresholds of compliance, appropriate statewide 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 at a time when businesses are struggling to stay afloat. Rather than charging ahead on more aggressive policies like extended producer responsibility or greater statewide diversion rate requirements—which would increase costs to businesses and consumers during a historic recession—the California Chamber of Commerce believes 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 exceeded the existing requirement to divert half of its waste from landfills, all without an increasing mandate. 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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