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# California Resource Recovery Association

June 12, 2009

Assembly Member Noreen Evans, Chair  
Budget Conference Committee  
State Capitol  
Sacramento, CA 95814  
Via Fax: (916) 319-2199

Senator Denise Ducheny, Vice Chair  
Budget Conference Committee  
State Capitol  
Sacramento, CA 95814  
Via Fax: (916) 323-8386

### **RE: Department of Finance Beverage Container Recycling Proposal – Oppose**

Dear Assembler Member Evans and Senator Ducheny,

CRRA petitions the Conference Committee on Budget to reject cuts to and maintain funding for the Beverage Container Recycling Program administered by the Department of Conservation (DOC).

The Beverage Container Recycling Program provides funding through several outstanding distribution channels including:

- California Refund Value (CRV) reimbursements to consumers across the state.
- Curbside Recycling program reimbursements to hundreds of CA cities.
- Quality Incentive program to fund market development projects.
- Handling and processing payments to Certified Recycling Centers.
- Competitive recycling grants to local communities.
- Recycling grants supporting local CA Conservation Corps.
- Market Development grants to fund new recycling enterprises.

A May 29, 2009 proposal from the Department of Finance proposes \$203.2 million cut in funds to the Beverage Container Recycling Program.

Such cuts would critically impact virtually every local municipal recycling program in the state:

- Hundreds of local government recycling programs, which are the backbone of California's recycling industry, would be jeopardized.
- The recycling businesses that collect, process and market recyclable materials through municipal recycling programs would be confronted with a critical revenue loss, at a time when domestic and export commodity prices for their products (glass, metals and plastics, as well as their non-CRV paper commodities) have yet to recover from the historic market drop in the fourth quarter of 2008.

AFFILIATE OF



NATIONAL  
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<http://www.nrc-recycle.org>

- Local California Conservation Corps would be devastated, along with the State's most established green jobs training program for disadvantage youth at a time when such a program is most needed.

We acknowledge that the proposal did not include cuts to funding for Recycling Centers, through which the majority of CRV containers are recycled. Nevertheless, the proposed cuts would have a severe impact on the recycling infrastructure of the state.

We recognize that business as usual cannot proceed in the current economic situation. Changes are necessary. However a wholesale dismantling of the recycling system is irresponsible to the consumers who fund these programs through their payment of CRV, and the programs the state is obliged to support with those funds.

CRRA calls for alternative approaches to make the CRV fund whole again. One approach would be to raise the 5 cent per container to between 6 and 10 cents, thereby increasing revenues into the fund. Every penny in increased deposit increases revenues by \$200 million each year. A recent, DOC-funded study entitled *Evaluating End-of-Life Beverage Container Management Systems for California* ([www.r3cgi.com](http://www.r3cgi.com)) indicated higher deposit values would stimulate higher recycling rates. The study also showed no overall effect on the sales of beverages.

Other alternatives that would restore a self-sustaining container deposit system include adding new container types (wine and spirit containers, drink pouches, aseptic packages, gable-top containers, etc.) to the deposit system.

CRRA urges you to reject the Department of Finance proposal and work with stakeholders to find a more responsible solution.

Sincerely,

*J. Muir*

Julie Muir  
President, CRRA

CC: Members, Budget Conference Committee

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