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August 28, 2015

Senator Ricardo Lara, Chair
Senate Appropriations Committee
State Capitol
Sacramento, CA 95814
Fax (916) 651-4933

**RE: AB 199 (Eggman) Recycling Market Development Sales and Use Tax
Exemption – Support**

Dear Senator Lara,

We would like to express our strong support for Assembly Bill 199 by Assembly Member Susan Eggman, a measure that will increase recycling and help develop domestic markets for recycled materials.

AB 199 will add recycled content manufacturing and processing to the successful Advanced Transportation and Alternative Sources Manufacturing Sales and Use Tax Exemption Program. This will provide an important incentive to increase overall recycling and reintroduce more recyclable materials into California's manufacturing economy.

The program, administered by the California Alternative Energy and Advanced Transportation Financing Authority (CAETFTA), is capped at \$100 million annually and has never reached that cap. All projects that are approved for CAETFTA sales tax exemptions have to demonstrate that any costs to the state will be offset by the increased economic activity created by the project. By definition, these projects must bring a net environmental and jobs benefit to the state.

California's commitment to recycling has diverted millions of tons of recyclables from landfills per year, cut greenhouse gases, and created 125,000 jobs over the past two decades. However, most of what we continue to send to landfills is readily recyclable or compostable. By collecting, processing and manufacturing these materials into new products in the state we can support a sustainable and prosperous California economy.

According to CalRecycle, for every ton of materials that gets recycled instead of being disposed, California's 5,300 recycling establishments will pay an additional \$101 in salaries, produce \$275 more in goods and services, and generate \$135 more in sales. Additionally, this generates a multiplier effect that supports the creation of jobs and tax revenue.

For these reasons, we urge your support on this important legislation.



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Sincerely,

John H Dane

John H. Dane
Executive Director
California Resource Recovery Association

cc: Members, Senate Appropriations Committee
Assembly Member Susan Eggman

CRRA is California's state-wide recycling association. It is the oldest and one of the largest non-profit recycling organizations in the United States. A 501(c)(3) organization, CRRA is dedicated to achieving environmental sustainability in and beyond California through Zero Waste strategies including product stewardship, waste prevention, reuse, recycling and composting. CRRA advances local, regional and state-wide waste reduction efforts which result in critical environmental and climate protection outcomes. Our members represent all aspects of California's reduce-reuse-recycle-compost economy. They work for cities and counties, as well as hauling companies, material processors, non-profit organizations, state agencies, and in allied professions.