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May 18, 2016

Senator Bob Wieckowski
Chair, Senate Environmental Quality Committee
State Capitol
Sacramento, CA 95814
Fax 916-322-3519

Re: AB 1005 (Gordon) CA Plastic Recycling - SUPPORT

Dear Senator Wieckowski,

The California Resource Recovery Association (CRRA) strongly supports AB 1005 (Gordon), a measure that will extend the vital Plastic Market Development program for five years and increase the program's overall funding.

California's Plastic Market Development program (PMD) has been a key tool for stimulating economic growth for California plastic processors and manufacturers. The payments to processors help offset transportation and labor advantages of overseas competitors, while the manufacturer payments lower the cost of using recycled feedstock (rather than virgin).

However, this important program is scheduled to sunset at the end of this year, at a time of where the recycling industry has taken a big hit. Drastic drops in oil prices have had the effect of undermining the demand and price for California-generated recycled materials—California recycled material processors and recycled product makers are starting to lose market share to out of state/country 'virgin' producers. A five-year extension will help provide confidence and stability for continued investments in California's struggling plastic recycling infrastructure.

We strongly support AB 1005 because it provides for the continuation of market-based incentives targeted appropriately at California processors and manufacturers who utilize domestic supplies of recycled plastic beverage bottles. AB 1005 insures that plastic bottles recycled in California stay in California for processing and remanufacturing. This program helps to close the loop on plastic beverage container recycling, while growing California jobs.



We respectfully request your support of this measure when it is heard in Senate Environmental Quality Committee.

Sincerely,

John H Dane

John H. Dane
CRRA Executive Director

CC: Members, Senate Environmental Quality Committee
Assembly Member Richard Gordon

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.