



March 26, 2018

The Honorable Blanca Rubio
Assembly Member, District 48
State Capitol, Room 5175
Sacramento, CA 95814

Re: AB 3178 (Rubio) **NOTICE OF SUPPORT**

Dear Assemblywoman Rubio:

On behalf of the Upper Valley Waste Management Agency I am pleased to offer this letter in support of AB 3178.

Residents and businesses in our community have enthusiastically embraced the waste diversion and recycling programs offered here. We enjoy a very high participation rate, and through the joint efforts of our staff and our service provider, we fully expect to see further progress.

The recent import policy adopted by China is, however, a cause for much concern. We are not alone. Like nearly every other local jurisdiction in California, and the entire West Coast, we have been relying on the continued availability of overseas markets for our recyclables, because domestic market development has been more or less nonexistent. When foreign markets collapse through no fault of our own, we do not believe it is appropriate that we are made to bear the burden. In hindsight, it is clear that California's landmark recycling law, AB 939, was seriously flawed to the degree it presumed that markets would always be there if we would only do our part by ensuring recyclable materials are recovered. Recent events make clear this was overly optimistic.

We have done our part. We have authorized the right programs, and have required our service provider to process the materials. We will continue to operate those programs, and process those materials. However, until the markets recover, or suitable replacements are found, the state must (i) acknowledge that we are powerless to assure markets for certain materials, and (ii) do more to encourage sustainable, domestic market development.

The importance of your AB 3178 is that it finally places in law the necessary link between adequate markets and successful recycling. Under your bill, CalRecycle must consider markets in making good faith effort determinations, and in deciding whether to issue a compliance order. Most importantly, AB 3178 provides that where it becomes necessary in order to safeguard public health, excess recyclables may be landfilled without subjecting the jurisdiction of origin to civil penalties.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Lederer", with a long horizontal line extending to the right.

Steven Lederer
Manager
Upper Valley Waste Management Agency

AB 3178 (Rubio) Solid Waste Recycling Markets

Bill Summary

AB 3178 makes changes to the law to account for the critical relationship between waste diversion and markets. This bill provides waste collection and recycling firms, with operating recycling programs and facilities, with effective tools to manage waste during the absence of available diversion markets.

Existing Law

AB 939 (c. 1095, Stats.1989) established the Integrated Waste Management Act (“IWMA”) requiring local agencies to divert (from disposal) 50% of all solid waste by the year 2000. Convenient, low-cost recycling programs now serve most residents of the state. The vast majority of jurisdictions have met or exceeded the law’s diversion requirement.

Existing law does not prohibit the disposal of otherwise recyclable materials, but does expose local governments to administrative civil penalties if their disposal activity leads them to divert less than the required 50%, unless they can demonstrate they have made a “good faith effort” to divert 50%. Many contracts between waste haulers and local governments also contain a waste diversion compliance requirement.

Background

The IWMA does not assure the availability of markets for diverted material; it merely assumed their adequacy and continued existence. This approach worked well for more than 26 years, coinciding with the emergence of China as a significant economic force in the world. In that time, California has not developed a domestic market option for this material.

Last year, China signaled a dramatic change in its import policies. Dubbed “National Sword,” the new policy imposes strict new contamination limits and includes outright bans on mixed paper and various grades of plastic. In 2016, 62% of recyclable material exported by California went to China. That market has now largely disappeared. It has not been replaced by other foreign markets, and no viable domestic alternative exists.

Meanwhile, waste recycling facilities (MRFs) are seeing a flood of material for which there is suddenly no home. Material is being stockpiled, and many facilities are reaching their legal storage limits. Oregon and Washington report a similar experience. There, as here, MRFs operate at the mercy of global recycling markets. This is not just market volatility; the traditional markets for some materials have disappeared, and it may be years before suitable and resilient replacements are found.

Details of the Bill

Assembly Bill 3178 addresses the issue of recycling markets in 3 ways:

- **It adds the loss of markets for recyclable materials to the list of criteria that CalRecycle must consider in determining whether to issue a compliance order.**
- **It adds that loss of markets must be considered in determining whether a jurisdiction has made a “good faith effort” under AB 939 to meet the required 50% waste diversion level.**
- **This bill also provides that recyclables for which there is no market may be landfilled, where necessary to avert a public health threat, without subjecting the jurisdiction of origin to administrative civil penalties under Publ. Res. Code Section 41850.**

Support

None on file

Opposition

None on file

For More Information

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