



RURAL COUNTY REPRESENTATIVES
OF CALIFORNIA

April 3, 2023

The Honorable Jacqui Irwin
Member, California State Assembly
1021 O Street, Room 6220
Sacramento, CA 95814

**RE: Assembly Bill 891 – CONCERNS
As Amended March 15, 2023**

Dear Assembly Member Irwin:

On behalf of the Rural County Representatives of California (RCRC), we regretfully write to inform you of our concerns with your Assembly Bill 891, regarding beverage container recycling. RCRC is an association of forty rural California counties and the RCRC Board of Directors is comprised of elected supervisors from each of those member counties.

Assembly Bill 891 promotes the use of nonpetroleum biomaterials in beverage containers by awarding manufacturers that use nonpetroleum biomaterials in their products with an additional processing fee offset.

Our member counties are interested in an effective, efficient beverage container recycling program. Without convenient redemption opportunities, the program's California Redemption Value can easily become a regressive tax that disproportionately impacts lower-income Californians. After facing a structural budget deficit for many years, the widespread shuttering of many redemption centers and resulting decline in redemption opportunities and rates have created a budget surplus for the state program.

Because of this tremendous whipsaw, RCRC is concerned about the long-term impacts of increasing processing fee offsets for manufacturers. Under the program, manufacturers are commendably required to pay a processing fee, which offsets the difference between scrap value and the cost of recycling the container they introduce into the marketplace. Over the years, the Legislature has created "processing fee offsets" to reduce the amount manufacturers are required to pay if the container type achieves specified recycling targets. Under these incentives, the state (and consumers) subsidize up to 90% of the cost of recycling container types with the highest recycling rates,

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including PET. RCRC is concerned that AB 891 will result in the state and consumers further subsidizing manufacturers that integrate nonpetroleum biomaterials into their products. To address this concern and ensure that manufacturers are not further relieved from the overall cost of recycling those materials they introduce into the marketplace, **we suggest amending AB 891** to require that any new processing fee offset benefits created by this bill are paid for by a proportionate reduction in the processing fee offset for similar container types that do not include nonpetroleum biomaterials.

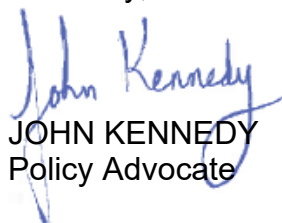
As local governments are integrally involved in implementing the state's solid waste recycling programs, we are also very interested in minimizing potential contaminants in bales of recyclable material. Local governments have supported the homogenization of container types to reduce contamination, costs of recycling, and increase the recyclability of materials introduced into the stream of commerce. We appreciate that AB 891 seeks to exclude from the definition of "nonpetroleum biomaterials" any "materials or processes that undermine or contaminate the recyclability of a plastic container" (emphases added). Unfortunately, it is unclear what will constitute "undermining" or "contaminating" the recyclability of a plastic container. One could argue that inclusion nonpetroleum biomaterials would be permissible even if it increases the costs or difficulty of processing and recycling beverage containers because those costs and challenges may not rise of the level of undermining or contaminating overall recyclability of the container.

Given the historic challenges with contamination and that beverage containers are excluded from last year's SB 54 (Allen), RCRC strongly suggests crafting a tight definition to avoid creating any additional difficulties for processing and recycling. To address this concern, **we further suggest modifying Section 14547.1(a)(2)(B) as follows:**

Materials or processes that undermine or contaminate the recyclability of a plastic container, or that increase the costs or difficulty of processing and recycling those containers.

We look forward to working with you in the future to address these concerns. If you should have any questions, please do not hesitate to contact me at jkennedy@rcrcnet.org.

Sincerely,


JOHN KENNEDY
Policy Advocate

cc: The Honorable Luz Rivas, Chair, Assembly Natural Resources Committee
Members of the Assembly Natural Resources Committee
Elizabeth MacMillan, Consultant, Assembly Natural Resources Committee
Casey Dunn, Consultant, Assembly Republican Caucus