-------- Original Message --------
Subject: Proposed AB2020 Amendment - Pilot Project Funding for CRV Date: Wed, 31 Jul 2019 13:22:48 -0700
From: John Katovich <john@cuttingedgecounsel.com>
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Dear Senator Wiener,

On behalf of the SF-CRV Convenience Alliance (the “Alliance”), a California nonprofit Mutual Benefit corporation under the Nonprofit Mutual Benefit Corporation laws of California, we are reaching out to you regarding our mutual ongoing efforts to ensure sufficient recycling centers and locations are available to provide consumers with convenient recycling opportunities.

The Alliance was formed by a group of retailers to address the significant lack of any convenient solution for recycling bottles and cans in the City of San Francisco. Following its formation, the Alliance began to work with the City of San Francisco and with CalRecycle to determine how recycling centers might be created that can sustain themselves.

The Alliance has explored many options to increase consumer convenience and beverage dealer compliance, and to date, both the Alliance and the City of San Francisco believe that the best opportunity is to implement one of the pilot programs as defined in SB 458 and added to AB 2020. Based upon our collective efforts in researching and budgeting, we now know that for such a pilot to be successful in SF, it will require a firm commitment of at least $3m, and will need a full three-year period to prove that it can be successful and sustainable. Following that period, we believe that one or more for-profit businesses will be able to adopt the program we develop, and run it independently for the foreseeable future.

We know there is money available for the pilot funding, and the funds can be found in two distinct databases:

1) Lack of CRV Convenience: Due to the dearth of recycling and redemption options now present in SF, the amount of in lieu fees being invoiced within our pilot Jurisdiction have been paid into the CalRecycle fund, and the greater the in lieu fees (called Option B), the greater the inconvenience being created; and

2) Unredeemed deposits: The lower the actual CRV redemption rate in our Jurisdiction, the greater the actual one-way funds that move to CalRecycle as unredeemed deposits.

In SF, there is now a delta of 14% between unredeemed deposits below the 80% statewide CRV goal in AB2020 (SF is at a 66% CRV redemption rate), and that 14% equals over $8 million per year of one-way funds going into CalRecycle. Again a portion of those excess unredeemed deposits should be made available and applied to fund the pilot projects.

We know you understand that recent efforts to obtain the $3m in funding for the SF pilot have not produced the commitment needed, but without the funding in place, we and the City of San Francisco also know that we cannot get a pilot established to prove a case for a sustainable and profitable business.

While both the Alliance and the City of San Francisco have made many attempts to obtain the funding the SF pilot needs, to date we have found that without explicit authorization to have CalRecycle funds committed, or without additional language amending AB2020 and the SB458 pilot language, no work can proceed.

To further the established purpose of AB2020, and, by extension, for CalRecycle to support sufficient recycling centers and locations, and to provide consumers with convenient recycling opportunities, we would like to offer the following amendments to the California Beverage Container Recycling and Litter Reduction Act. We believe that by further amending the language contained in the Act, CalRecycle will be able to utilize a portion of the funds that it currently collects from SF retailers (known as the in-lieu fees) because of the lack of recycling centers in SF.

Thank you for your attention to this urgent matter. We would welcome an opportunity to work with you regarding these amendments, or to meet to discuss at your convenience.

Sincerely,

John Katovich - Secretary to SF-CRV Convenience Alliance, and Tom Wright - President to SF-CRV Convenience Alliance

on behalf of:
SF-CRV Convenience Alliance Board:

Paul Knowles - Rainbow Grocery Cooperative Steve Gaines - The SaveMart
Ron Lee - Safeway

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