



August 9, 2019

Mr. Scott Smithline, Director California Department of Resources Recycling and Recovery
Mr. Jared Blumenfeld, Secretary for Environmental Protection
California Department of Resources Recycling and Recovery
1001 I Street
SACRAMENTO, California 95814 (emailed and hand delivered)

Dear Director Smithline and Secretary Blumenfeld,

I am writing to you today on behalf of the board of directors of Protect CRV because the closure of two hundred eighty four redemption recycling centers requires your immediate attention. In one fell swoop, Californians lost 1/5 of the remaining recycling infrastructure in the state and seven hundred fifty employees lost their jobs. Make no mistake that rePlanet's closure, while certainly not the first setback to the state's container deposit system, is the most significant and it is your wake-up call. Others will almost certainly follow.

Director Smithline, since our formation in April of 2018, we have been calling for action. We repeatedly pointed out the negative effects caused by inadequate processing payments and handling fees from your agency. We have begged you to investigate reports by redemption centers that they were being subjected to overzealous enforcement where there was no intent to defraud the fund. We have met with you, written to you and formed a task force that included senior staff from the California Department of Resources Recycling and Recovery (CalRecycle). We contributed to, supported and advocated for bills such as SB 724 and SB 452 that asked for short term fixes meant to support redemption centers while a longer-term overhaul of the bottle bill could be undertaken. We picked ourselves up and tried again as, over and over, those proposed pieces of legislation perished in committee after CalRecycle signaled implementing them would be too much work administratively. We warned, time and time again, that redemption centers were in trouble going so far as to say that we feared the Department's very inactions would cause a catastrophic collapse. Two hundred eighty four site closures and seven hundred fifty jobs lost feels like a catastrophic collapse to us.

Mr. Blumenfeld, we are calling on you, as California's biggest environmental action-maker, to use your position as part of the Governor's cabinet to create immediate and impactful change in California's beverage container law and at CalRecycle. The consequences for consumers and the environment are sweeping and ugly if we continue to allow our recycling infrastructure to crumble. While deposit systems typically result in beverage container recycling rates two to three times higher than the rates of other recycling programs, California's rate has dropped. Well-crafted deposit systems reduce energy use and carbon emissions because fewer containers are made from virgin materials yet, here in California, we continue to allow manufacturers to make excuses about why recycled material won't work. This is shameful.

So, how do we fix this? In a word, we **ACT!** We would like to see the following.

- The fund has a surplus. Please infuse money from the beverage container fund to support existing RCs and supply additional start-up funding to encourage growth. We suggest a starting amount of ten million dollars.
- Please immediately redirect enforcement efforts towards retailers, many of whom have ignored their obligations for decades.
- Please immediately cease fining redemption centers for unintentional or non-impactful infractions. We applaud proper enforcement for those who intend to defraud the fund. Fining those who are staying open later than their posted hours to serve customers due to the crisis situation or for a single missing label is reprehensible.
- Please compel beverage manufacturers to shoulder their share of the costs for their containers.
- Please fast track a ten-day approval process for existing operators in good standing who wish to open new sites.



- Please consider immediately implementing a co-mingled glass rate to stabilize supply.
- Please curtail or suspend supplemental payments to cities and counties that do not support public redemption centers. Curbside is not the same as redemption.
- Please set up emergency stakeholder meetings in both Northern and Southern California. We need to hear and be part of your plans to address this crisis.
- Please consult with us about implementing a tiered system for handling fees with a cap where appropriate. We have details we can share that are too lengthy for this letter.
- Please restrict handling fee sites from paying scrap value for material. This should be an either/or situation.
- Please suggest and support legislation that raises the deposit on existing containers and ushers other beverages, such as wine and spirits, into the program.

Director Smithline and Secretary Blumenfeld, the time for slow talking and slow walking is done. You must immediately **take action** with Governor Newsom and the state legislature to salvage and prop up what is left and formulate a plan to implement new recycling infrastructure. Californians and the remaining redemption centers deserve your full and immediate attention. Finally, we are calling on you to ensure our members, the small redemption centers, are represented during any discussions. Our members are not represented by the grocers, the waste haulers, the beverage manufacturers or any other nonprofit entity and it is important that that we be part of the solution. I and my board offer ourselves to you as solutions-oriented subject matter experts. Please don't accept any substitutes.

Respectfully,

Executive Director
Protect CRV
916 216 9501 (cell)

cc. Senators Ben Allen, Robert Archuleta, Toni Atkins, Jim Beal, Steven Bradford, Anna Caballero, Bill Dodd, Maria Elena Durazo, Cathleen Galgiani, Steven Glazer, Robert Hertzberg, Jerry Hill, Ben Hueso, Melissa Hurtado, Hannah-Beth Jackson, Connie Leyva, Mike McGuire, Holly Mitchell, William Monning, Richard Pan, Anthony Portantino, Richard Roth, Susan Rubio, Nancy Skinner, Henry Stern, Thomas Umberg, Bob Wieckowski, Scott Wiener

cc. Assemblymembers Cecilia Aguiar-Curry, Joaquin Arambula, Rebecca Bauer-Kahan, Marc Berman, Richard Bloom, Tasha Boerner Horvath, Rob Bonta, Autumn Burke, Ian Calderon, Wendy Carrillo, Sabrina Cervantes, Ed Chau, David Chiu, Kansen Chu, Ken Cooley, Jim Cooper, Tom Daley, Susan Eggman, Jim Frazier, Laura Friedman, Jesse Gabriel, Cristina Garcia, Eduardo Garcia, Mike Gipson, Todd Gloria, Lorena Gonzalez, Adam Gray, Timothy Grayson, Chris Holden, Jacqui Irwin, Reginald Jones-Sawyer, Ash Kalra, Sydney Kamlanger-Dove, Marc Levine, Monique Limon, Evan Low, Kevin McCarty, Jose Medina, Kevin Mullin, Al Muratsuchi, Adrin Nazarian, Patrick O'Donnell, Cottie Petrie-Norris, Bill Quirk, Sharon Quirk-Silva, James Ramos, Anthony Rendon, Eloise Reyes, Luz Rivas, Robert Rivas, Freddie Rodriguez, Blanca Rubio, Rudy Salas, Miguel Santiago, Christy Smith, Mark Stone, Philip Ting, Shirley Weber, Buffy Wicks, Jim Wood

cc. Kip Lipper, Office of the California State Senate President Pro Tempore
cc: Adam Tauber, California Department of Resources Recycling and Recovery