REPORT TO LAW & LEGISLATION COMMITTEE
City of Sacramento

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915 I Street, Sacramento, CA 95814-2604

Staff Report
February 19, 2008

Honorable Members of the
Law and Legislation Committee

Title: Producer Responsibility for Electronic and Toxic Waste

Location/Council District: City Wide

Recommendation: Approve and forward to the City Council for adoption a **resolution** 1) supporting state wide legislation for Extended Producer Responsibility (EPR) legislation; 2) Continue to implement a procurement policy to promote the use of less toxic products where feasible; and 3) Authorizing the Mayor to sign the attached letter to the California League of Cities, the California State Association of Counties, and the California Integrated Waste Management Board to urge support for EPR legislation.

Contact: Edison Hicks, Integrated Waste General Manager, 808-4949
Marty Strauss, Integrated Waste Planning Superintendent, 808-4934

Presenter: Marty Strauss, Integrated Waste Planning Superintendent

Department: Utilities

Division: Solid Waste

Organization No: 3361

Description/Analysis

Issue: A growing problem for the City of Sacramento and other jurisdictions throughout California is the cost of collecting and processing electronic and toxic waste. A significant increased cost in collection and processing since February 2006 has been in universal waste. Universal waste is fluorescent light tubes, compact fluorescent light bulbs, and household batteries. Adoption of an Extended Producer Responsibility law by the State Legislature would place the responsibility for the cost of collection and processing of electronic and universal waste on the producers of the consumer goods that produce this waste.

Policy Considerations: Adoption of Extended Producer Responsibility requirements would be in agreement with the City's goal to reduce the amount of toxic materials purchased by the City and to become a more environmentally sustainable city.

Environmental Considerations: Approval of the resolution supporting legislation is not defined as a project by the California Environmental Quality Act (CEQA) and, therefore, is not subject to CEQA review.

Rationale for Recommendation: Statewide Extended Producer Responsibility legislation will provide economic relief to the City of Sacramento's Department of Utilities, Solid Waste Services by shifting the economic responsibility for the proper collection and processing of electronic and toxic materials away from the City and placing the responsibility on the manufacturer of the consumer goods. By making it more convenient for the consumer to properly dispose of these materials the City will realize a higher percentage of properly collected and processed materials than is seen today.

Financial Considerations: A successful Extended Producer Responsibility law will lower the financial burden of the City's current solid waste and hazardous waste collection programs.

Emerging Small Business Development (ESBD): There are no emerging small business issues with this report.

Respectfully Submitted by: _____
Edison Hicks
Integrated Waste General Manager

Approved by: Michael Malone for Gary Reents
Gary A. Reents
Director, Dept. of Utilities

Recommendation Approved:

_____
for Ray Kerridge
City Manager

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Attachment 1

BACKGROUND

On February 8, 2006 California's Universal Waste Rule (CCR, Title 22, Division 4.5, Chapter 23) became effective. In response to the ban on universal waste from the disposal waste stream, Solid Waste Services developed partnerships with Ace Hardware stores and the Sacramento Natural Food Co-op to provide convenient drop off centers at a point of purchase for these materials. The successful public outreach effort to educate the public on how to properly dispose of these materials has resulted in a 300 percent increase in this type of waste collected. Even with the 300 percent increase, Solid Waste Services staff estimates this only represents approximately 3-5% of the total universal waste stream. In an effort to increase the percentage of batteries and fluorescent lights collected and properly disposed, Solid Waste Services implemented a door to door collection service this winter.

The current economic incentives for proper collection and disposal of toxic waste is a patch work system developed to address specific consumer commodities such as tires, computer monitors and TVs, lighting, or substance-specific consumer products (e.g., mercury, lead, brominated flame retardants). Each of these items is addressed through specific legislation focused on only that one item. An Extended Producer Responsibility (EPR) Program, as used elsewhere in the world, offers an alternative to this existing piecemeal approach, while providing the flexibility to customize individual product stewardship programs toward the most effective approach for any particular product or product category. It will also remove the financial responsibility of collection and disposal away from local governments and move the responsibility to the manufacturer.

Staff for the California Integrated Waste Management Board (CIWMB) presented a report on this topic at the September 19, 2007 meeting of the CIWMB, and the Board voted to support and sponsor Extended Producer Responsibility legislation. (See Attachment 2.) This recommendation was supported in a letter (Attachment 3) to the California Integrated Waste Management Board from the Consumer Product Stewardship Council (CPSC). The CPSC is comprised of 25-California local governments and local government associations aiming to transform the solid waste system in California from one focused on taxpayer and ratepayer funded waste diversion, to one that relies on producer responsibility in order to reduce public costs and drive improvements in product design. CPSC's membership is growing as interest in this issue continues to grow.

The increasing cost to collect and process universal waste (fluorescent and compact fluorescent lights, and household batteries) was analyzed through a CIWMB Universal Waste Regional Planning Grant. Representatives from all jurisdictions and agencies in Sacramento County that have responsibility for the proper collection and disposal of universal waste participated in two meetings discussing how to best address this waste stream. State representatives from the Department of Toxics and Substance Control and the CIWMB along with private

processors of this waste stream participated in the meetings. All local jurisdiction representatives were in agreement that universal waste is and will continue to be a growing economic problem for local governments to address successfully and that producers should be responsible for this waste stream.

An Extended Producer Responsibility law would place the responsibility for the cost of collection and processing of electronic and universal waste on the producers of the consumer goods that produce this waste. It is believed that passing this cost on to the producers will provide an incentive to seek less- or non-toxic materials in their products, thus lowering their cost of processing when they are returned by the consumer at the end of life.

ATTACHMENT 2

California Integrated Waste Management Board

Board Meeting

September 19, 2007

AGENDA ITEM 12

ITEM

Consideration of General Extended Producer Responsibility Policy Options

I. ISSUE/PROBLEM STATEMENT

Extended Producer Responsibility (EPR) seeks to shift the responsibility for the end-of-life (EOL) management of discarded products and materials from local government to private industry, thereby incorporating the costs of product collection, recycling, and/or disposal into product price, and encouraging product design that has a reduced impact on human health and the environment.

Currently, California addresses products with problematic EOL management issues via a patchwork of product-specific (e.g., lighting, computers, tires) or substance-specific (e.g., mercury, lead, brominated flame retardants) legislation. An EPR Framework, as used elsewhere in the world, offers an alternative to this existing piecemeal approach, while providing the flexibility to customize individual product stewardship programs toward the most effective approach for any particular product or product category.

The California Integrated Waste Management Board (CIWMB or Board) adopted Strategic Directive 5: Producer Responsibility (SD-5), which calls for producers to assume the responsibility for the safe stewardship of their materials in order to promote environmental sustainability. This agenda item asks the Board to consider specific policy recommendations to implement this directive.

II. ITEM HISTORY

At the February 14, 2006 meeting, the Board approved contract concept number 2005-D-7 for a research report examining alternate financing strategies and models for universal waste (u-waste) and paint EOL management that might be implemented in California.

At the February 13, 2007 meeting, the Board adopted Strategic Directive 5: Producer Responsibility (SD-5), which states, "It is a core value of the CIWMB that producers assume the responsibility for the safe stewardship of their materials in order to promote environmental sustainability."
(http://www.ciwmb.ca.gov/agendas/mtgdocs/2007/02/00021620.doc).

At the June 5, 2007 Strategic Policy Development Committee Meeting, Board staff conducted a public workshop on Producer Responsibility to lay preliminary groundwork for subsequent discussion on the implementation of SD-5. At the workshop, staff provided an overview of existing policies and implementation approaches in which producers assume responsibility for the safe stewardship of their products. Various stakeholders representing local governments, trade associations, industry, and

environmental advocates provided comments. The Board directed staff to report back in September 2007 with more in-depth information on options for implementing SD-5.

Additionally, at the July 11, 2007 meeting, the Board heard a presentation and discussed the contractor report, "Framework for Evaluating End-Of-Life Product Management Systems in California." This report examined alternate financing strategies for u-waste and paint EOL management that might be implemented in California. The report offers a recommended framework approach to evaluating EOL product management systems that can be applied to a range of product types.

Voluntary EPR-related initiatives the Board is currently involved in include the Paint Product Stewardship Initiative, Plastic Film Packaging and Plastic Container Recycling, Electronics Recycling, and the Universal Waste Take-It-Back Partnership.

III. OPTIONS FOR THE BOARD

The Board may decide to:

1. Adopt the proposed EPR Framework as an overall policy objective and direct staff to develop an associated legislative proposal, continue existing voluntary initiatives, and conduct further research to determine priority products for future new product stewardship programs:

   a. Adopt the EPR Framework (Attachment 1);

   b. Develop, through the annual legislative process, a legislative proposal for an overall EPR Framework;

   c. Continue implementing current voluntary product stewardship initiatives; and

   d. Conduct further research and convene an advisory committee to determine and prioritize products for new product stewardship initiatives.

2. Adopt the proposed EPR Framework as an overall policy objective and direct staff to develop an associated legislative proposal, continue existing voluntary initiatives, and initiate one or more new voluntary initiatives:

   a. Adopt the EPR Framework (Attachment 1);

   b. Develop, through the annual legislative process, a legislative proposal for an overall EPR framework;

   c. Continue implementing current voluntary product stewardship initiatives; and

   d. In the interim until legislation on an overall EPR Framework is enacted, develop new voluntary product stewardship programs in partnership with stakeholders for one or more of the following product categories, using the proposed EPR Framework to the extent feasible: major appliances, electronics, mercury-containing light bulbs, non-auto batteries, and paint.

3. Do not adopt the proposed EPR Framework at this time but instead direct staff to form an advisory committee to further develop the proposed EPR Framework, using Attachment 1 as the initial basis for discussion, and return to the Board for further consideration.

4. Do not adopt an EPR Framework but direct staff to continue existing voluntary

initiatives and initiate one or more new voluntary initiatives.

5. Request additional analysis for future discussion.

IV. STAFF RECOMMENDATION

Staff recommends that the Board adopt Option 1 and approve Resolution Number 2007-189.

Rationale: To date, legislative and voluntary initiatives in California that involve producers in some manner in the design and end-of-life management of products have focused on one product or product category at a time, and there has been little consistency in what approaches are implemented. Based on discussions at national conferences, in the California Legislature, and at Board workshops, there appears to be a growing consensus that a broad legislative Framework is needed. Such a Framework would establish a government role in setting targets, developing appropriate regulations, establishing reporting and tracking requirements, and selecting products for new product stewardship programs, while also allowing manufacturers flexibility in determining how to meet the targets. This approach would set a consistent foundation for selecting future products or product categories that would be managed with a producer responsibility approach. In summary, a broad legislative Framework would provide the Board with the authority to advance EPR without the piecemeal approach of focusing on individual products or programs which currently exists.

In the interim while a Framework is being developed, Board staff can continue to work on and enhance existing voluntary programs. The several existing voluntary producer responsibility efforts currently in progress (e.g., Paint Product Stewardship Initiative and the Universal Waste Take-it-Back Partnership) would continue and could fit nicely into the overall recommended Framework. Ideally, if the Board subsequently obtained statutory authority, it could move forward with priority product and program selection and implementation process for additional products or product categories.

Staff is not recommending new voluntary initiatives at this time for the following reasons. First, since staff did not have the opportunity to meet with stakeholders and discuss the products passing the first filter of the product screening process (discussed in detail in Attachment 3), efforts need to be taken to more fully identify these stakeholders and better understand the opportunities and challenges associated with each product/product category. Additionally, consideration should be given to determine to what extent the Board should harmonize its efforts with other EPR systems around the world given the wide variation in how product categories and whole programs are designed. This would allow staff to continue implementation of existing voluntary product stewardship initiatives while also working on further development and involvement of stakeholders in future proposals for new voluntary initiatives.

V. ANALYSIS

A. Key Issues and Findings

In this section staff presents analysis on EPR Framework approaches and a methodology for product selection. Accompanying this Agenda Item are three attachments:

Attachment 1. *Overall Framework for an Extended Producer Responsibility System in California.* This document compiles staff recommendations for the Board to consider as

a policy objective. It is referred to in Options 1 and 2. The supporting analysis for this document is contained in Attachment 2.

Attachment 2. *Analysis for a California Extended Producer Responsibility Framework.* This document contains staff's more detailed analysis and recommendations on EPR Framework approaches that form the basis of Attachment 1.

Attachment 3. *Analysis for Priority Product Selection.* This document covers product selection methodology, selection criteria, and preliminary products identified using the methodology. The Board requested staff to consider priority products for product stewardship programs at the June 5, 2007 Strategic Policy Development Committee Meeting. Staff considers this work preliminary and is seeking comments on this section. Further research, analysis and discussion with stakeholders are needed to determine a final product selection process.

B. Extended Producer Responsibility Framework

Staff conducted research and analysis to determine desirable policy approaches for implementing EPR in California and the implementation of Strategic Directive 5: Producer Responsibility. Information was solicited from a variety of sources to analyze EPR models and prepare the documents attached to this agenda item. This included a wide search of international and domestic reports, legislation, planning documents, presentations, websites, other written documents, and knowledge gathered from staff participation in EPR-focused conferences, workshops, and dialogues. Stakeholders provided another source of information. (See Attachment 2, *Analysis for a California Extended Producer Responsibility Framework,* for more details).

The Board indicated at the June 5, 2007 Producer Responsibility workshop its interest in learning more about an overall Framework approach to implementing EPR in California. Staff therefore assessed two well-known established EPR Framework models, British Columbia and the European Union, as well as the State of Washington, which is currently drafting EPR legislation. These systems were analyzed to identify key distinctions among the programs, particularly in the areas of legislation, products covered, and identified goals and targets.

A Framework approach would streamline the legislative process so that one law can potentially do what would currently take several. Such a Framework would call for broad legislative authority. For example, in British Columbia the Environmental Management Act provides the broad environmental protection authority, while the "Recycling Regulation" requires producers (or a stewardship organization operating on behalf of a producer) to have an approved product stewardship plan. If such an approach were used in California, State government would still engage in public discourse to determine the ground rules for any specific product stewardship program, but that discourse would occur during the regulatory process, rather than the legislative process.

Policy Objective

As discussed in the recently-prepared contractor report to the Board, "Framework for Evaluating End-of-Life Product Management Systems in California," (see July 2007 Board Meeting, Item 11) a variety of stakeholders can be involved in any given EOL product management system and the role of government is key in pairing the appropriate stakeholder(s) with the appropriate EOL management activity. These activities range

from the financial to the program/operational aspects of that system.

Rather than taking the approach of the State creating and mandating the details of programs in which stakeholders participate, and based on the analysis in Attachment 2, staff proposes that the Board adopt the policy objective of seeking a broad legislative EPR Framework. Such a Framework would allow producers the flexibility to develop and maintain various material- or product-specific product stewardship programs.

A Framework Approach would provide a comprehensive, yet flexible method to managing products that have significant impacts on the environment and serve as an alternative to the current piecemeal approach with many different laws and approaches. The proposed EPR Framework, if enacted, would provide the Board with the authority to further determine and carry out state government roles and responsibilities, which would include developing regulations using a public process, managing a process to select products for product steward programs, and setting up product stewardship programs with stakeholders that are customized for each product or product category selected under the Framework.

Key Elements to EPR Framework Approaches

Staff found that EPR Framework approaches around the world have common key elements. Based on its analysis and stakeholder input, staff proposes that any EPR Framework should address these key elements:

1. Policy Goals
2. Guiding Principles
3. Definitions
4. Roles and Responsibilities
5. Governance
6. Products/Product Categories Covered
7. Program Effectiveness and Measurement

Each of these key elements is discussed in detail in Attachment 2, *Analysis for California Extended Producer Responsibility Framework.*

Staff proposes that the Board adopt these overall key elements, along with staff's recommendations for Policy Goals, Guiding Principles, Definitions, and Roles and Responsibilities and Governance (items 1 - 5 above), as presented in Attachment 1, *Overall Framework for an Extended Producer Responsibility System in California.* The remaining elements would be further explored and addressed in legislation or in the development of regulations.

1. **Policy Goals.** These would be somewhat general under a broad legislative Framework, but would include achieving an equitable distribution of costs amongst producers and consumers of products; designing product stewardship programs that maximize economic efficiency and market innovation; and providing measurable net environmental benefits throughout a product's life cycle.

2. **Guiding Principles.** These include details on general responsibilities, importance of a level playing field, results-based programs, and transparency and accountability.

3. **Definitions.** In order to have a common understanding, staff offers several terms and working definitions with recognition that they may be refined in the

course of developing legislation, regulations or planning documents.

4. **Roles and Responsibilities.** Clear roles and responsibilities are critical for the overall success of any product stewardship program. The Framework includes a general description of roles and responsibilities for producers, retailers, consumers, state government, local government, haulers, recyclers, and advisory workgroups. For each stakeholder group, the Framework also identifies these types of responsibilities, where applicable: system effectiveness, informational needs, physical management of products and component materials (cradle-to-cradle), and financial management of end-of-life responsibilities.

5. **Governance.** The Framework proposes that the CIWMB would require broad statutory authority to establish overall producer responsibility regulations; determine products or product categories to be included; establish targets, measurement, and reporting requirements; and take appropriate enforcement action. Similar to any regulatory development process these activities would be carried out through a public process that allows full stakeholder participation.

   The Framework would include or allow for coverage of new, historic, and orphan products; independent and collective producer programs; plan submission and requirements; penalties for non-compliance; reporting requirements; transparency and accountability mechanisms; use of front-end financing mechanisms as opposed to end-of-life fees; coverage throughout state, urban and rural, at level necessary to meet performance standards; use of performance standards (which might cover product performance, EOL management systems, and/or recycling/recovery facilities); adherence to the State's solid waste hierarchy or other mechanisms to ensure products are managed for highest use or proper disposal if hazardous and not recyclable; best management practices for handling; ability to add new product categories in the future; and mechanisms/incentives to significantly drive design for the environment and toxics reduction. These would be customized for use in any ensuing particular product stewardship program.

Next steps. If a Framework is enacted by the Legislature, then next steps would include developing regulations, selecting products or product categories, setting specific product category targets, determining what will be measured, identifying voluntary or mandatory aspects of the system for that product (e.g., enforcement, oversight, fees), developing an information dissemination plan to educate consumers and other stakeholders, reviewing reporting documents, evaluating results, and periodically adding new products. Critical to this process would be the formation of an advisory committee comprised of general EPR, product-specific and/or other stakeholders that will provide essential input, such as determining how to define product categories that work well with other product stewardship programs. Such an advisory group could be put in place prior to the enactment of Framework legislation, to conduct further research on product categories.

The next section describes staff's product selection analysis to date.

C. Priority Product Selection Methodology

Even under a general Framework, individual product stewardship programs must be tailored to specific product categories or products to be effective and efficient. While a general Framework would allow for the broader design of a program including oversight,

enforcement, and implementation, specific details of the program can only be finalized once products or product categories have been identified.

To assess products that might be most amenable to an EPR approach, staff employed screening criteria to quickly and efficiently separate products into those that are suitable and those that are not. The screening process was split into two stages, the first intended to remove products that are clearly unsuitable for a product stewardship program (such as products that have no clearly defined producer), and the second step applied a larger set of criteria to products that passed the first stage of the process. This second part of the screening process is more involved and requires additional research and information, but makes finer distinctions between products. This two-tiered approach, described in more detail in Attachment 3 *Analysis for Priority Product Selection*, allows more products to be evaluated while not exerting excessive time or energy.

First Screening Criteria

- Significant EOL impacts
- Feasibility
- Opportunity exists for new effort

Second Screening Criteria

- Difficult to manage/bulky
- CIWMB is appropriate agency
- Increasing or steady usage trend
- Stakeholder concern
- Life-cycle impacts
- Potential for lifecycle improvement

Staff created an initial list of 42 products (Attachment 3, Table 1) using information provided by waste characterization studies (State of California, U.S. EPA), California HHW summary report and outside sources. After the first screening process, staff identified 14 products to move through the secondary screening process (Attachment 3, Table 5). This resulted in a preliminary identification of 5 products as being potentially most appropriate to a product stewardship program:

- Appliances - Major
- Batteries (non-automotive)
- Electronics
- Mercury containing products - Lamps
- Paint

This provides the Board with an initial analysis of selected products that might be amenable to an EPR approach, using the information available. However, staff believes that before selecting specific products or product categories to apply in a product stewardship program, whether voluntary or under a legislated Framework, more detailed analysis is required.

Several of these product categories are already the focus of some type of EOL management program, which is not surprising as other groups may have used a similar type of selection process and these are products that pose some challenges at EOL such as creating large quantities of landfill material, having hazardous constituents, posing illegal dumping problems, or causing significant financial burden to local government HHW programs for proper EOL management.

The short time-frame for the current effort prevented sufficient in-depth analysis to better explore each product's qualities and to learn more from stakeholders, especially in terms of any potential product stewardship program. Staff recommends forming a stakeholder advisory committee that could more fully research this approach and products selected. One consideration in this step would be to evaluate the extent to which the State of California should form product categories similar or consistent with other producer responsibility systems. For example, the European Union Waste Electrical and Electronic Equipment Directive includes large and small appliances and many other products as "electronics" (there are 10 electronic product categories and about 100 products) whereas British Columbia only includes 3 products: computer monitors, computer peripherals, desktop printers.

B. Environmental Issues

There are no environmental issues associated with the adoption of an Extended Producer Responsibility Framework. Environmental issues associated with the selection and implementation of priority products and programs would vary depending on the specific priority products selected. There are no new environmental issues for voluntary Product Stewardship Programs that are already underway.

C. Program/Long Term Impacts

It is anticipated that in the long term, Extended Producer Responsibility will result in net environmental benefits as it is a stated goal. Additionally, local government programs will be able to focus more of their limited resources on programs and issues they are currently unable to due to their physical and financial management of certain EOL products.

D. Stakeholder Impacts

When Product Stewardship Programs are in place, they will impact a set of stakeholders involved in the supply chain of selected products. These stakeholders include, but are not limited to, manufacturers, brand-owners, distributors, retailers, haulers, and consumers.

E. Fiscal Impacts

No fiscal impact to the Board results from this Item.

F. Legal Issues

There are no legal issues in addition to those discussed above.

G. Environmental Justice

Based on available information, staff is not aware of any environmental justice issues related to this Item.

VI. FUNDING INFORMATION

This Item does not require any Board fiscal action.

VII. ATTACHMENTS

1. Overall Framework for an Extended Producer Responsibility System in California
2. Analysis for a California Extended Producer Responsibility Framework

3. Analysis for Priority Product Selection
4. Resolution Number 2007-189

VIII. STAFF RESPONSIBLE FOR ITEM PREPARATION

A. Program Staff: Kathy Frevert **Phone:** (916) 341-6476

B. Legal Staff: Elliot Block **Phone:** (916) 341-6080

IX. WRITTEN SUPPORT AND/OR OPPOSITION

A. Support

Staff had not received any written support at the time this item was submitted for publication.

B. Opposition

Staff had not received any written opposition at the time this item was submitted for publication.

ATTACHMENT 3

California Product Stewardship Council

P.O. Box 216381, Sacramento, CA 95821 • 916-485-7753

DRAFT v.5

Framework Principles for Product Stewardship Policy

The following principles are intended to guide development of product stewardship policies and legislation. In particular, they would be incorporated into framework legislation that would govern multiple products.

1. Producer Responsibility
   - All producers [1] selling a covered product into the State are required to finance and participate in a Stewardship Plan (Plan). Plans will address the lifecycle impacts of products including their end-of-life management.
   - Producers can choose between offering their own Plan and participating in a Plan with others.
   - In addressing end-of-life management, all Plans will finance the collection, transportation and recycling of covered products.
   - Plans must cover the costs of new, historic and orphan covered products.
   - Plans must provide convenient collection for consumers throughout the State.
   - Responsibility for waste management is shifted from general taxpayers to producers and users. Responsibility is not shifted to other levels of government without consent.

2. Shared Responsibilities
   - Consumers are responsible for using the return systems set up by producers or their agents.
   - Retailers will only sell covered products from producers who are in compliance with stewardship requirements.
   - State and local governments will work with producers and retailers on educating the public about the stewardship programs.

3. Governance
   - State government sets goals and performance standards in consultation with all stakeholders.
   - Programs focus on results and provide producers with flexibility to determine the most cost-effective means of achieving the desired outcomes with minimum government involvement.
   - State government is responsible for ensuring a level playing field by enforcing requirements that all producers in a product category participate in a Plan as a condition for selling their product in the State.
   - Producers are accountable to both government and consumers for environmental outcomes.

4. System Coverage
   - Product categories required to have Plans will be selected using the process and priorities set out in the framework legislation.

5. Financing
   - Producers will determine how to finance their Plans.
   - The financing system used by a Plan will be operated in a transparent and equitable manner for all producers belonging to the Plan.
   - Financing systems will be sustainable, utilizing "front-end" mechanisms such as cost internalization and not "end-of-life" methods such as collection drop-off fees.

6. Environmental Protection
   - Framework legislation should address environmental product design, including source reduction, recyclability and reducing toxicity of covered products.
   - Framework legislation requires that Plans ensure that all products covered by the Plan are managed in an environmentally sound manner. Plans must be consistent with other State sustainability legislation, including those that address greenhouse gas reduction and the waste management hierarchy.
   - Plans include reporting on the final disposition, (i.e., reuse, recycling, disposal) of products handled by the Plan, including any products or materials exported for processing.

NOTE: These working principles are being developed in cooperation with the **Northwest Product Stewardship Council**

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[1] Producers for the purposes of this document are defined as brand owners, manufacturers or first importers.

Date Attachment 4

League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Re: Support for Extended Producer Responsibility

Dear _____;

As the Mayor of the City of Sacramento, I am forwarding a copy of the City of Sacramento's recently adopted resolution in support of state policy to promote Extended Producer Responsibility (EPR) statewide in California.

Since the disposal of household batteries and fluorescent light tubes at landfills was prohibited, the City of Sacramento has experienced over a 300 percent increase in this type of material being brought to its household hazardous waste facility. This increase has been accompanied by an increase in cost to the City to properly handle and process these types of materials. The cost to date has been absorbed by our rate payers through increased monthly service charges. Even with this increase in volume of materials the City of Sacramento calculates it is only capturing approximately three percent of the total volume of household batteries and fluorescent light tubes generated in the City of Sacramento. City programs to capture a greater volume will add to the cost that is now paid by the City to collect and safely process these materials.

It is the City of Sacramento's belief that the cost to collect and safely process hazardous materials should be the producer's responsibility and not the City's.

Our City strongly encourages the League of California Cities (LCC) to get "in front' on the issue of EPR. Cities like ours are dealing with increasing number of products being banned from landfill disposal by the state with out any statewide plan to manage these products. The cost to manage products like fluorescent lamps and batteries is exceptionally high and beyond the ability of local governments to absorb. Ultimately, we encourage the full LCC board to adopt a policy and make EPR a legislative priority for both environmental and budgetary reasons.

Thank you for your consideration. Please contact me if you have any questions.

Sincerely,

Mayor Heather Fargo

Attachments:

1. City of Sacramento Resolution on EPR

RESOLUTION NO.

Adopted by the Sacramento City Council

SUPPORT FOR STATEWIDE EXTENDED PRODUCER RESPONSIBILITY LEGISLATION FOR ELECTRONIC AND TOXIC WASTE

BACKGROUND

A. On February 8, 2006 California's Universal Waste Rule (CCR, Title 22, Division 4.5, Chapter 23) became effective.

B. The Universal Waste Rule bans landfill disposal of universal waste deemed hazardous, such as household batteries, fluorescent compact bulbs or tubes, thermostats, and other items that contain mercury, as well as electronic devices including video cassette recorders, microwave ovens, cellular phones, cordless phones, printers, and radios.

C. Universal waste management costs are currently funded by the residential rate payers of the City of Sacramento and are expected to increase dramatically in the short term unless policy changes are made.

D. It is anticipated that the list of universal waste determined to be hazardous and therefore banned from landfills will continue to grow.

E. As additional products are declared hazardous by the State, the burden to manage these universal wastes will continue to fall on the ratepayers of local jurisdictions.

F. There are significant environmental and human health impacts associated with improper management of universal waste.

G. Since local government ratepayers rather than product manufacturers currently bear the costs to properly manage universal waste, local governments are in effect subsidizing the production of universal waste.

H. Extended Producer Responsibility (EPR) is a policy approach in which producers assume responsibility for management of waste products, and this approach has been shown to be effective.

I. When producers are responsible for ensuring their products are recycled responsibly, and when health and environmental costs are included in the product price, there is a strong incentive to design and purchase goods that are more durable, easier to recycle, and less toxic.

J. It is timely to develop and support EPR legislation to address product stewardship for hazardous products currently banned from landfill disposal and those which will be added to the list of banned items in the future.

K. The California Integrated Waste Management Board is currently considering sponsoring EPR legislation.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Council urges the City's representatives in the California Legislature to enact EPR legislation that shifts universal waste management costs from local government to the producer of the product, and gives producers the incentive to redesign products to make them less toxic and easier to recycle.

Section 2. The City Council directs that, where feasible, the City's procurement contracts should promote the use of less toxic products where feasible by, for example, leasing products rather than purchasing them, requiring product manufacturers to offer less toxic alternatives, and requiring product manufacturers to take back their products for responsible management at the end of their useful life.

Section 3. The Mayor is authorized to send a letter to the League of California Cities, the California State Association of Counties, and the California Integrated Waste Management Board to urge support for EPR legislation.