



January 27, 2009

The Honorable Alex Padilla
Member, California State Senate
State Capitol, Room 4032
Sacramento, CA 95814

RE: Senate Bill 25 (Padilla) - CONCERNS

Dear Senator Padilla:

On behalf of the Regional Council of Rural Counties (RCRC), the League of California Cities (the League), the California State Association of Counties (CSAC), and the Solid Waste Association of North America (SWANA), we are writing to express our concerns for your Senate Bill 25, which proposes to increase diversion requirements for our state's solid waste.

Cities and counties have made significant strides in implementing programs for the diversion of solid waste from landfills. Collectively, our state now exceeds the required 50% goal that was established many years ago. Despite these efforts and positive results, we have strong concerns with proposals to further increase the diversion requirements at this time whether these new requirements are jurisdiction-by-jurisdiction or a collective statewide effort.

Much has changed from last summer when our organizations considered your Senate Bill 1020, which also proposed to increase the diversion requirements. By far, the most dramatic turn-of-events occurred last summer with the collapse of the recyclable materials market. Within a matter of weeks, the value of scrapped materials such as plastic, cardboard, glass, etc. dropped as much as 80%. Prior to the late summer, much of these materials were aggregated and shipped to China and recycled into packaging for products. This is no longer the case. The result is recyclers and municipalities are currently storing these materials in anticipation of price increases and/or buyers of these materials. Fortunately, the Integrated Waste Management Board recognizes this problem and is addressing the matter. However, storage is only one of the contributing factors and if the materials market does not recover within the next several months, we expect that many of these materials could be committed to landfills, thereby putting pressure on jurisdiction's diversion requirements.

Another important aspect of this discussion concerns the implementation of Senate Bill 1016 (Wiggins). Last year, the Legislature enacted SB 1016 which recalculates the method the Waste Board uses to assess a jurisdiction's amount of waste 'diverted' from landfills. SB 1016 replaces the previous 'diversion-based' method with a 'disposal-based' accounting method so that waste is more accurately assessed. As SB 1016 was moving through the process last year, many jurisdictions were well-aware that shifting to a disposal-based method could mean a de facto increase in their diversion

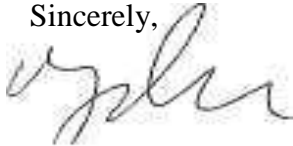
requirements. In other words, for a number of cities and counties, SB 1016 has the practical effect of increasing the 'diversion' threshold.

We recognize that SB 25, as currently drafted, does not mandate an increase upon each and every jurisdiction's diversion requirements; however, we fully expect that jurisdictions will need to commit resources to ensure a new statewide goal is achieved. This comes at a time when most cities and counties are struggling financially. It should be noted that local government costs to implement diversion programs become exponentially more expensive when attempting to exceed the 50% requirement.

Finally, we must reiterate what we conveyed throughout the 2007-08 Session as SB 1020 and other measures were being considered to increase diversion requirements. For local governments to meet any increase, we must have a variety of tools at our ready. These include: requiring product design that is more durable, create less waste and producer responsibility; legislative changes to facilitate pharmaceutical take-back; assistance for siting organics compost facilities; better efforts to manage organics; and efforts to enhance conversion technology. Without an increase in the number of tools, the discussion moves beyond cost and borders on practicality.

RCRC, the League, CSAC, and SWANA look forward to working with you and your staff to address these concerns. We recognize the need to better divert waste from current landfills and know that cities and counties have a role to play.

Sincerely,



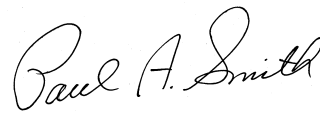
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