

September 18, 2013

The Honorable Loni Hancock and Lou Correa
State Capitol
Sacramento, CA 95814

SUBJECT: SB 254 (Hancock/Correa) Used Mattresses
POSITION: REMOVAL OF OPPOSITION

Dear Governor and Senators Hancock and Correa:

The California Product Stewardship Council (CPSC) is pleased to inform you that it has removed its opposition to SB 254 regarding mattress recovery and recycling.

CPSC is a network of local government, non-government organizations, businesses and individuals working to promote more efficient and effective end-of-life management of hazardous and hard-to-handle products. We appreciate the new requirements placed on the mattress manufacturers to share in responsibility for end of life management. We recognize that the legislation does include meaningful oversight by Cal Recycle, some level of stakeholder engagement in program planning and implementation and reimbursement of local government costs and CPSC is very grateful for those amendments made in the last weeks of session.

However, CPSC, as a nationally recognized 'thought leader' on Extended Producer Responsibility (EPR) policy, does remain concerned that SB 254 was passed with a point of sale fee. This removes the financial incentive to redesign for durability and recyclability. There is no other language in the bill that requires attention on greener design of mattresses, durability and cost-effective recyclability.

CPSC believes that internalization of the cost of product stewardship is the appropriate model for programs such as the one proposed in SB 254. In other words, full cost accounting or internalizing the externalities, as this returns us back to a working free-market system where the full costs are transparent to the consumer who can make a good choice. We view visible fees as a funding method that only adds to administrative costs and complexity of a program and yet undermines green design. We hope that future bills will internalize lifecycle costs modeled by the mercury thermostat legislation of 2008.

CPSC wishes to thank you for incorporating many of our proposed amendments into the legislation. We weighed both what still needs to be done in the bill from CPSC's perspective and what ultimately is in the enrolled version that the Governor must now consider and feels that removal of CPSC's opposition is appropriate.

If the measure is signed into law, we look forward to assisting the Administration in ensuring that the measure is fully and fairly implemented as we have been doing with existing product stewardship programs for paint, carpets and thermostats.

Sincerely,



Heidi Sanborn, Executive Director
California Product Stewardship Council

Cc: The Honorable Governor Edmund "Jerry" G. Brown, Jr.
Carroll Mortensen, CalRecycle