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California Product  
Stewardship Council<sup>sm</sup>

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**COALITION FOR**

**CLEAN AIR**

April 18, 2016

Ms. Mary D. Nichols  
Chair, California Air Resources Board  
c/o  
Clerk of the Board, Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**RE: Support of Proposed Amendments to the Regulation for Small Containers of Automotive Refrigerant.**

Dear Chair Nichols:

To protect public health and environmental quality, the signatories to this letter support the California Air Resources Board's (ARB) staff efforts to develop clear and well thought out proposed amendments to the current Regulations for Small Containers of Automotive Refrigerant. **The ARB staff have been thorough in the report and rationale for the proposed changes and we support the ARB Board's adoption of the proposed amendments.**

**Additionally it should be recommended that the unclaimed deposits from prior years should be transferred to manufacturers for public education.**

The modifications would include:

- Clarification that unclaimed consumer deposits are to be transferred to the manufacturers for enhanced consumer education
- Expand the scope of the programs/projects for these funds
- Fixing deposit at \$10/elimination of the deposit adjustment provisions
- Additional Container Label Language

The initial regulation was adopted January 2009 to address greenhouse gas emissions associated with do-it-yourself servicing of motor vehicle air conditioning. During implementation ARB has determined that retailers are holding the unclaimed consumer deposits instead of transferring them to the manufacturers to be used. Appendix C (page 48) of the staff report shows the estimated amount of unclaimed funds that are being retained by the retailers. Based on reports, between 2011 and 2014, \$13,800,950 in unclaimed deposits has accumulated at the annual rate of approximately \$3,450,000. The majority (more than 95%) of small container automotive refrigerant is sold by nine retailers in California. **The proposed changes will clarify that the retailers must transfer funds and report quarterly to ARB as well and make the transfer of funds quarterly to manufacturers and ensure the unclaimed deposits are utilized to educate the consumers. The ARB staff should also take actions to ensure the previous unclaimed deposits are transferred and used for that purpose in a timely fashion.**

The proposed changes will also allow for additional program options for education of consumers with approval of ARB which we believe is important to reaching more consumers who are unaware of the program. Furthermore, the requirement to have additional language in both English and Spanish included on the label forbidding venting the cans and encouraging consumers to return the cans to retailers for recycling after usage or retain to use until they are empty will provide an additional opportunity to educate the consumer.

We are in agreement that the data ARB has obtained through implementation indicates that there is no need to increase the \$10 deposit and that it can be fixed at that amount. Since 2011 the return rate has been 65 to 77% return on the cans and the self-sealing valve may have led to consumers retaining the cans to use almost all of the refrigerant before returning them. It had been anticipated that there would be 20% remaining refrigerant, but the data shows the volume of refrigerant in returned cans is 2-4%.

Self-sealing valves on all containers may be responsible for the majority of the emission reductions seen thus far. The valves have had an unintended consequence on the sales of the product as well as the amount of refrigerant remaining in the container after usage. Prior to the regulation, sales of this product were 1.92 million cans annually (ARB, 2007). After the regulation became effective under state law, annual sales have decreased to about 1.1 million containers (ARB, 2015) which is approximately 40% reduction.

We look forward to seeing the proposed changes implemented and the ARB staff recovering and overseeing the transfer of previous fees to the manufacturers for their intended purpose. We encourage ARB to engage with a broad stakeholder group including local governments, industry

and NGOs to provide input on how these funds are used in the development of consumer education by the manufacturers.

Sincerely,

Christine Flowers, Assistant Director, California Product Stewardship Council

Jen Jackson, Toxics Reduction & Healthy Ecosystems Programs Manager, San Francisco  
Department of the Environment

Debra Kaufman, Senior Program Manager, StopWaste

Teresa Bui, Legislative and Policy Analyst, Californians Against Waste

Bill Magavern, Policy Director, Coalition for Clean Air