



April 5, 2016

The Honorable Miguel Santiago
 California State Assembly
 State Capitol, Room 5119
 Sacramento, CA 95814

**SUBJECT: AB 2794 (SANTIAGO) HAZARDOUS WASTE: FACILITIES PERMITTING: FEES
 HEARING SCHEDULED – APRIL 12, 2016
 OPPOSE – AS AMENDED MARCH 17, 2016**

Dear Assembly Member Santiago:

The California Chamber of Commerce and the below-listed organizations must respectfully **OPPOSE** your **AB 2794**, as amended March 17, 2016, which would eliminate the flat permitting fee option for permit applicants seeking to obtain a hazardous waste permit from the Department of Toxic Substances Control (DTSC). **AB 2794** would instead require hazardous waste permit applicants to enter into a reimbursement agreement to reimburse DTSC for costs incurred in processing the permit application.

We fundamentally object to the notion of requiring permit applicants to contribute to an uncapped, pay-as-you-go program for the purpose of reimbursing a permitting agency that is consistently charged by stakeholders and even independent third parties for having poor management practices with respect to processing permit applications. A recent Senate Environmental Quality Committee analysis noted that “[t]here has been significant dissatisfaction with the performance of the Permitting Office, directed at the cost and length of time in completing the permit process” (Senate Environmental Quality Committee Analysis, SB 654, April 29, 2016, at p.3.) Indeed, recognizing the current deficiencies in its permitting program, on February 1, 2013, DTSC entered into a contract with CPS HR Consulting to conduct a permitting process review and analysis. Among other findings, CPS HR Consulting found that a primary reason for permitting delays is the department’s poor management practices. Further, CPS HR Consulting found that while many aspects of the work process required for a permit renewal are well defined and well known, most of the difficult or complex steps are not clear or well defined. Consequently, according to CPS HR Consulting, “This is one of the most likely reasons for prolonged delays in the permitting process.... (Permitting Process Review and Analysis: Final Report, at p. 8.) Although DTSC is currently developing reforms to its permitting process through what is known as the Permitting Enhancement Work Plan (PEWP), those reforms have yet to be implemented. Additionally, even when they are implemented, it will surely take time to assess whether the PEWP is achieving its goals.

Under **AB 2794**, the cost to obtain a permit renewal or modification would be limitless and thus, further investment in critical hazardous waste infrastructure upgrades will falter. California’s extensive

manufacturing sector and the larger California economy depend upon sustaining hazardous waste system that can efficiently handle wastes generated in a manner that protects both Californians and their environment. For this reason, we strongly support the treatment, storage, and disposal of hazardous waste in California, and we further believe that we have a collective obligation as Californians to do so for California-generated waste deemed hazardous pursuant to California's more stringent statutory and regulatory requirements.

Unfortunately, **AB 2794** would discourage these facilities from further modernizing and improving their infrastructure by giving DTSC the authority to simply charge whatever it deems fit for purposes of processing a permit application, notwithstanding the department's own self-acknowledged deficiencies that exist within its current permitting program. Additionally, in the event certain fees are disputed, the question then arises whether DTSC may obtain *additional* fees for handling the fee dispute on top of those fees the department is already demanding for permit processing. This bill would create a process that would invite potentially intractable disputes, add further delays to the permitting process, and impose extraordinary, unjustified, and unpredictable costs on the permit applicant.

Notwithstanding our opposition to **AB 2794**, we note that the flat fees for hazardous waste permit applications have not been increased since 1997 through SB 660 (Sher). **To this end, as an alternative to this proposal, we welcome the opportunity to work with your office to talk about increasing current fees by tying them into a common index and changing the current statutory amounts.**

For these reasons, we must **OPPOSE** your **AB 2794**.

Sincerely,



Anthony Samson, Policy Advocate
California Chamber of Commerce

On behalf of the following organizations:

Alhambra Chamber of Commerce
Automotive Specialty Products Alliance
California Business Properties Association
California Cement Manufacturers Environmental Coalition
California Manufacturers and Technology Association
California Metals Coalition
Chemical Industry Council of California
Clean Harbors Environmental Services, Inc.
Consumer Specialty Products Association
Greater Fresno Area Chamber of Commerce
Industrial Environmental Association
Institute of Scrap Recycling Industries
Metal Finishing Association of Northern California
Metal Finishing Association of Southern California
North Orange County Chamber
Oxnard Chamber of Commerce
Palm Desert Area Chamber of Commerce
Rancho Cordova Chamber of Commerce
Redondo Beach Chamber of Commerce & Visitors Bureau
Safety-Kleen, Inc.
San Diego Regional Chamber of Commerce
South Bay Association of Chambers of Commerce
Southwest California Legislative Council

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Simi Valley Chamber of Commerce
Torrance Chamber of Commerce
West Coast Lumber & Building Material Association
Western Plant Health Association
Western States Petroleum Association

cc: Graciela Castillo-Krings, Office of the Governor
District Office, The Honorable Miguel Santiago