

May 14, 2018

Jeremy Jones
West Coast Program Manager
PaintCare Inc.
901 New York Ave NW
Suite 300 West
Washington, DC 20001

Dear Jeremy:

This letter is DEQ's approval of the request to increase Oregon's paint product stewardship assessment, which PaintCare submitted March 1, 2017, and updated on March 29, 2018, and April 5, 2018. DEQ proposed to approve this fee increase on April 23, 2018, for PaintCare's review and public comment. This letter finalizes that proposed approval.

Specifically, DEQ approves the new fee structure in Table 1 with the conditions that follow:

Table 1: Fee Structures: Current and New Fees

Container Size	Current Fees	New Fees
Half pint or smaller	\$0.00	\$0.00
Larger than half pint to smaller than 1 gallon	\$0.35	\$0.45
1 gallon	\$0.75	n/a
1 gallon up to 2 gallons	n/a	\$0.95
Larger than 1 gallon up to 5 gallons	\$1.60	n/a
Larger than 2 gallons up to 5 gallons	n/a	\$1.95

Conditions for approval:

- 1) PaintCare must submit quarterly budget reports to DEQ for timely and efficient monitoring of program finances.
- 2) PaintCare must evaluate the fee structure biennially with updated projections for revenue and expenditures to determine whether the new fee structure is generating sufficient, but not excessive revenue, and report the results to DEQ with PaintCare's annual budget.
- 3) If the fee structure is not achieving the desired goal, PaintCare will timely propose a fee change to DEQ.
- 4) PaintCare's fee evaluations and any proposed fee changes must include the following information:
 - a) Describe the rationale supporting the fee structure evaluated or proposed, including information and analyses used to project both revenue and expenses
 - b) Use the best available information and methods to forecast future sales (e.g. industry sales projections, forecasts for home remodeling and building developments in Oregon, forecasts for real estate sales)
 - c) Use more than simple inflation when projecting future expenses.

DEQ received only one comment during the comment period, from a general contractor who did not believe the fee increase was a wise decision, but without explanation.

We appreciate PaintCare's cooperation in completing this fee increase and look forward to continuing to work together to provide environmentally sound and cost-effective management of waste paint in Oregon.

Sincerely,



Loretta

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