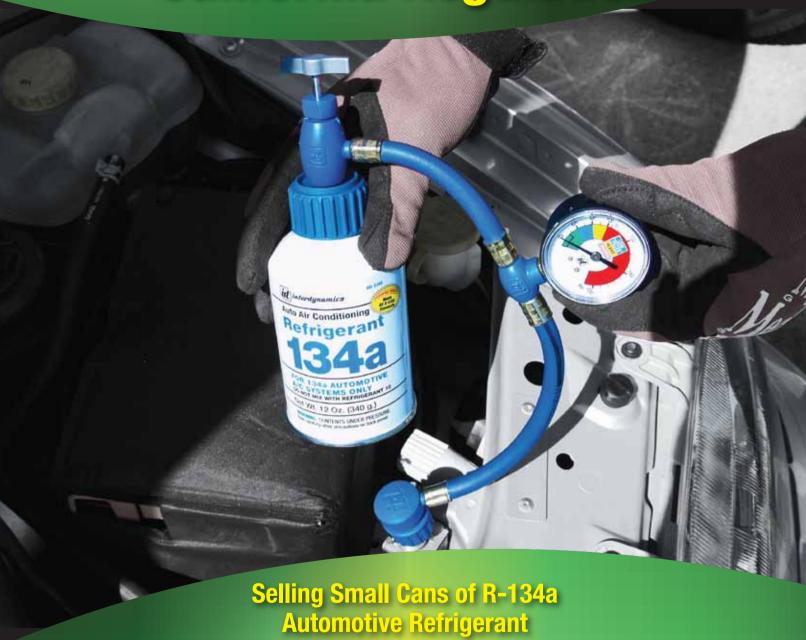


Retailer's Guide to the California Regulation





California Regulations on Small Cans of R-134a Refrigerant

THE BASICS Retailers located in California now have special requirements necessary for the sale of R-134a refrigerant to be used in automotive A/C systems. These regulations are in full force for 2011, even though signage requirements actually began on January 1, 2010.

What is the purpose of this regulation? The main reason for this regulation is to reduce accidental emissions of R-134a refrigerant from small containers used by DIY consumers. It is the right thing to do because R-134a is a greenhouse gas and contributes to global warming. Small containers are defined as those containing more than 2 oz. and less than 32 oz. of R-134a refrigerant.

What does the regulation require?

The regulation has 4 requirements:

- 1. Enhanced labeling instructions on all containers
- 2. New self-sealing valves on all small containers
- 3. Consumer Education
- 4. Recycling Program that includes deposit, return and recycle process

These 4 requirements are reviewed in the next few pages of this brochure with easy-to-follow instructions for your store personnel.

Who must comply with the regulations? This regulation applies to all stores located in the state of California and affects all retailers, manufacturers of these products and consumers that recharge their A/C system with these products.

When does the regulation take effect? As mentioned above, the regulation was effective January 1, 2010 for signage. However, small containers (more than 2 oz. & less than 32 oz. of R-134a) made before 1/1/2010 were "GRANDFATHERED" and could be sold by retailers through December 31, 2010. That's good news, because new California products do not begin distributing until Q4 2010.

The new products must replace old in all California stores before January 1, 2011. IF OLD PRODUCT REMAINS IN-STOCK, IT WILL HAVE TO BE REMOVED FROM SALE before that date.



Your A/C Products Partner

In March 2010, IDQ became the first California-certified manufacturer of "small cans" of refrigerant. We continue certifying products and are proud to be your only FULL-LINE supplier of California products.

Effective January 1, 2011, ONLY CERTIFIED CA SKU's WITH SPECIAL UPC CODES, self-sealing valves, approved instructions and details of the California deposit and return program, PURCHASED FROM A CA-CERTIFIED MANUFACTURER may be sold in the state.



We're Here to HELP!



Corporate@IDQUSA.com

If you have any questions or need assistance with the California "small can" Refrigerant Regulation, call us at (888) 318-5454.

UNDERSTANDING CALIFORNIA'S REGULATION... EASY AS 1-2-3-4!

Ready, Set... Before the Sale...

1 Consumer Education

BOTH required education pieces must be in place wherever A/C products are displayed in CA!

- Consumer "How-To" with CARB-approved content
- California "Global-Warming" placard

*MATERIALS DISTRIBUTED BY RETAILER
Green placard located for easy



2 Enhanced Labeling

Look for "THE BOX"! It tells you it's a California product and subject to deposit & returns

- "Certified" CA products include:
 - -Deposit & return program info -Improved how-to instructions

\$10 REFUNDABLE DEPOSIT if returned within 90 days of purchase.

CALIFORNI/

DEPOSITO
REEMBOLSABLE
DE \$10
si es regresado en
menos de 90 días
después de la compra.

All new
California approved
packaging will
have "THE BOX"
describing the
\$10 deposit.



3 Self-Sealing Valves

Look for the valve!

CA "certified" small containers (more than 2-oz / less than 32-oz of R-134a) will have a self-sealing valve

- Eliminates accidental installation leakage
- Retains left over R-134a for storage or recycling



4 Deposit>Return>Recycle

It's simple and responsible!

- Customer purchases & returns for deposit
- Retailer sorts & ships empties to manufacturer
- Manufacturer recovers, reclaims & recycles



*Details appear to the right in this brochure.

After the Sale... It's EASY....

1 Sell It!

- Sell products to consumers, as usual
- Observe for "specially-marked" cans
- Briefly explain program to customer
- Collect \$10 CA Deposit (un-taxed)



3 Sort it!

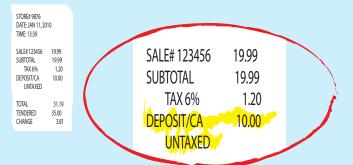
- Separate deposit returns from defective returns box
- Save time later! Make sure returns go into an "ORM-D"-marked box

Follow store policies for marking returns.



2 Cash It Out!

- Consumer uses and returns can
- Ask for receipt
- Look for "THE BOX"
- Match receipt to return
- Refund consumer's \$10 deposit



4 Send It!

- As return box fills, arrange to send to DC
- Do not mix deposit returns with defectives!
- Pack & ship to DC in ORM-D boxes Follow guidelines & store procedures.



Look for "THE BOX"!

It tells you whether the refrigerant you're selling is of a size that requires it be sold with a deposit in California.

\$10 REFUNDABLE DEPOSIT

if returned within 90 days of purchase.

CALIFORNIA

DEPOSITO REEM-BOLSABLE DE \$10

si es regresado en menos de 90 días después de la compra.

"THE BOX"



What is a "small container?"

A "small container" contains more than 2 ounces and less than 32 ounces of R-134a refrigerant for use in a mobile A/C System.

FAQ's About Recycling, Deposits & Certification

- **1. On what cans do we collect deposits?** Deposits & refunds apply only to specially-marked cans sold in California. Look for "**THE BOX**."
- **2. Do we have to accept used-can returns?** If you sell them & collect deposits, YES! But you're only required to refund deposits on the specially-marked small cans sold by your business. For your protection, deposit refunds require a receipt. There will be no out of state returns the program is CA-only.
- **3.** What happens to returned, used cans? THREE THINGS: 1) Returned deposit cans are sorted separately from "defectives"; 2) Sorted cans are returned to your DC; 3) The DC returns to manufacturer for recycling.
- **4. Any special shipping requirements for returned cans?** Yes. They must be return-shipped using DOT's "ORM-D" standards. Consult your company's guidelines for DC return procedures.
- 5. We sell to "DIYers" & "Pros." Do both pay a deposit? Yes.
- **6.** If a store outside CA sells a CA product outside CA, do they charge a consumer deposit? No. The program works only in California. No refunds are issued outside of CA. Remember to check receipts before refunding any deposit.
- **7. Are retailers responsible for record keeping & reporting to CARB?** The main responsibility for reporting belongs to your manufacturer partners. IDQ will automatically report shipments and returns of CA products annually to CARB (due by March 1st) by item & by customer. Upon request from CARB, retailers may also be required to submit monthly can sales & returns for each CA-certified SKU. You can contact your IDQ sales representative for assistance with any CARB reporting requests.
- **8. What's a "CA-certified" manufacturer & does this matter?** Effective January 1, 2011, manufacturers must be "certified" & registered with CARB.

Only certified manufacturers may supply CA small container refrigerant to stores after this date. IDQ IS YOUR CERTIFIED, FULL-LINE SUPPLIER, certified first in March 2010.

- **9. How do I know our source is a "CA-certified" manufacturer? TWO WAYS:** 1. Look it up ON-LINE: CARB's Emission Reductions site is: http://www.arb.ca.gov/cc/hfc-mac/hfcdiy/hfcdiy.htm 2. Understand their California program. Does your manufacturer:
- Have a State of CA Air Resources Board Executive Order for the SKUs you're buying? Will they accept & recycle your returns of used deposit cans?
- Sell date-coded, specially-marked CA-SKU's with special labeling & unique UPC codes? Are their CA products equipped with self-sealing valves?
- Have required, pre-approved, CA consumer education materials for display at your point of retail sale?
- **10.** What happens to any "unclaimed" deposits (i.e. consumer does not return the CA-certified can for a refund of the \$10 deposit)? CARB requires that any unclaimed deposit funds be spent on education materials to inform consumers of proper A/C recharging techniques and measures to reduce greenhouse gas emissions associated with DIY recharging.



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