



DEPARTMENT OF CONSERVATION

DIRECTOR'S OFFICE

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December 10, 2007

NOTICE

To: All Interested Parties

Subject: 2008 Processing Fees

Section 14575 of the Public Resources Code (PRC) requires the Department of Conservation (Department) to establish a processing payment and a processing fee for any beverage container type that has a scrap value less than the cost of recycling. The Department makes processing payments to processors. Processors pay recyclers the entire processing payment. Beverage manufacturers pay processing fees to the Department. This Notice announces the 2008 processing fees.

Pursuant to PRC Section 14575, the calculation of the 2008 processing payments is based on the difference between the scrap values offered to recyclers and the sum of the actual costs of recycling for certified recycling centers, excluding centers receiving handling fees, plus a reasonable financial return.

Scrap values are based on the average scrap values paid to recyclers for the period between October 1, 2006, and September 30, 2007.

Other than as specified in Section 14575(f), Section 14575(e) provides that a processing fee will equal 65 percent of the processing payment. Section 14575(f) provides that a processing fee be equal to a specified percentage of a processing payment based on the recycling rate for the specified material.

Section 14575(k) directs the Department to reduce total processing fees for glass and PET plastic if sufficient surplus funds remain in the respective processing fee accounts and if the recycling rates equaled or exceeded 45 percent in the preceding calendar year. Based on the 2006 calendar year, glass and PET plastic recycling rates, the glass and PET plastic processing fees have been reduced.

The processing fees shown on the following page become effective January 1, 2008.

2008 Processing Fees per Container Sold (effective January 1, 2008)	
Glass	\$0.00240
Plastic	
#1 – PET (Polyethylene Terephthalate)	\$0.00072
#2 – HDPE (High Density Polyethylene)	\$0.00216
#3 – PVC (Polyvinyl Chloride)	\$0.02505
#4 – LDPE (Low Density Polyethylene)	\$0.01691
#5 – PP (Polypropylene)	\$0.09013
#6 – PS (Polystyrene)	\$0.00507
#7 – Other	\$0.04217
Bi-metal	\$0.04825

Table 1, attached, shows the following detailed information for glass, plastic, and bimetal beverage containers:

- The cost of recycling
- The scrap value paid to recyclers
- The processing payment (if any)
- The processing fee payable by manufacturers (if any)

Note to beverage manufacturers: Pursuant to PRC Section 14575(h), beverage manufacturers shall pay applicable processing fees for each container sold or transferred to a distributor or dealer within 40 days of the sale.

To review notices of changes impacting participants in the beverage container recycling program, please visit the Department's Beverage Container Recycling Program home page on the Internet at www.consrv.ca.gov/dor/index.htm or call the Division of Recycling at (916) 323-3836.

For further information on the determination of processing fees, please contact Mr. Hieu Le, Market Research Branch, Division of Recycling, at (916) 323-1493. If you have any questions concerning processing fee reporting requirements, please contact your assigned account representative in the Client Services Section at (916) 327-7361.

Bridgett Luther
Director

Attachment

Table I										
2008 Processing Fees										
Effective January 1, 2008										
Glass, Bimetal and Plastic										
	Glass	Plastic								Bimetal
		PET	HDPE	Vinyl	LDPE	PP	PS	Other		
Cost of Recycling per Ton with Reasonable Financial Return	\$100.30	\$504.48	\$528.68	\$772.33	\$1,962.14	\$831.95	\$658.00	\$783.48	\$933.03	
Scrap Value per Ton	\$5.78	\$306.80	\$312.35	\$16.84	\$42.46	\$0.00	-\$213.41	\$ 95.80	\$12.56	
Processing Payments to Recyclers										
Processing Payment Per Ton Redeemed	\$94.52	\$197.68	\$216.33	\$755.49	\$1,919.68	\$831.95	\$871.41	\$687.68	\$920.47	
Processing Payment Per Pound Redeemed	\$0.04726	\$0.09884	\$0.10817	\$0.37775	\$0.95984	\$0.41598	\$0.43571	\$0.34384	\$0.46024	
Containers Per Pound	1.92	14.2	6.0	9.8	36.9	3.0	55.9	5.3	6.2	
Processing Payment Per Container	\$0.02461	\$0.00696	\$0.01803	\$0.03855	\$0.02601	\$0.13866	\$0.00779	\$0.06488	\$0.07423	
Processing Fees to be Paid by Beverage Manufacturers										
Manufacturers' Percentage of Processing Payment	12%	14%	12%	65%	65%	65%	65%	65%	65%	
Processing Fee Pursuant to Section 14575(f)	\$0.00295	\$0.00097	\$0.00216	\$0.02505	\$0.01691	\$0.09013	\$0.00507	\$0.04217	\$0.04825	
Section 14575(k) Processing Fee Reduction	\$0.00055	\$0.00025	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Processing Fee to be Paid by Beverage Manufacturers	\$0.00240	\$0.00072	\$0.00216	\$0.02505	\$0.01691	\$0.09013	\$0.00507	\$0.04217	\$0.04825	