



DEPARTMENT OF CONSERVATION

DIRECTOR'S OFFICE

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December 15, 2009

NOTICE

To: All Interested Parties

Subject: 2010 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 2010 processing fees.

Pursuant to PRC Section 14575, the calculation of the 2010 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, 2008, and September 30, 2009.

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. Since there are insufficient funds in the respective processing fee accounts, no reduction for glass and PET will be provided.

Due to the inadequacy of monies in the Beverage Container Recycling Fund to make all the payments specified in PRC Sections 14575 and 14581, the Department was required to proportionally reduce by 100 percent all transactions that occur on and after November 1, 2009. The new 2010 processing fees will continue to include the 100 percent proportionate reduction.

The processing fees shown below become effective January 1, 2010.

2010 Processing Fees per Container Sold	
(effective January 1, 2010)	
Glass	\$0.01373
Plastic	
#1 – PET (Polyethylene Terephthalate)	\$0.00569
#2 – HDPE (High Density Polyethylene)	\$0.01821
#3 – PVC (Polyvinyl Chloride)	\$0.02768
#4 – LDPE (Low Density Polyethylene)	\$0.00982
#5 – PP (Polypropylene)	\$0.10857
#6 – PS (Polystyrene)	\$0.00176
#7 – Other	\$0.05009
Bi-metal	\$0.04526

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 website 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, Operations 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
2010 Processing Fees
Effective January 1, 2010
Glass, Bimetal and Plastic

	Glass	Plastic							Bimetal
		PET	HDPE	Vinyl	LDPE	PP	PS	Other	
Cost of Recycling per Ton with Reasonable Financial Return	\$86.30	\$451.34	\$530.57	\$834.62	\$1,190.65	\$1,068.17	\$661.63	\$724.92	\$668.64
Scrap Value per Ton	\$6.06	\$188.95	\$199.97	\$0.00	\$1.08	(\$0.82)	\$11.36	\$0.52	\$14.12
Processing Payments to Recyclers									
Processing Payment Per Ton Redeemed	\$80.24	\$262.39	\$330.60	\$834.62	\$1,189.57	\$1,068.99	\$650.27	\$724.40	\$654.52
Processing Payment Per Pound Redeemed	\$0.04012	\$0.13120	\$0.16530	\$0.41731	\$0.59479	\$0.53450	\$0.32514	\$0.36220	\$0.32726
Containers Per Pound	1.90	15.0	5.9	9.8	39.4	3.2	120.2	4.7	4.7
Processing Payment Per Container	\$0.02112	\$0.00875	\$0.02802	\$0.04258	\$0.01510	\$0.16703	\$0.00270	\$0.07706	\$0.06963
Processing Fees to be Paid by Beverage Manufacturers									
Manufacturers' Percentage of Processing Payment	10%	11%	10%	65%	65%	65%	65%	65%	65%
Processing Fee Pursuant to Section 14575(f)	\$0.00211	\$0.00096	\$0.00280	\$0.02768	\$0.00981	\$0.10857	\$0.00176	\$0.05009	\$0.04526
Processing Fee to be Paid by Beverage Manufacturers after 100% Proportional Reduction (Processing Payment Per Container x 65%)	\$0.01373	\$0.00569	\$0.01821	\$0.02768	\$0.00982	\$0.10857	\$0.00176	\$0.05009	\$0.04526

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