



## DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

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**March 26, 2018**

### NOTICE

**To: All Interested Parties**

**Subject: Second Quarter 2018 Processing Payment Adjustments**

Section 14575 of the Public Resources Code (PRC) requires the Department of Resources Recycling and Recovery (CalRecycle) to establish a processing payment for any beverage container type that has a scrap value less than the cost of recycling. CalRecycle makes processing payments to processors. Processors pay recyclers the entire processing payment.

Pursuant to PRC Section 14575, the calculation of the 2018 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.

**PROCESSING PAYMENT ADJUSTMENTS:** Unlike the annual processing payment, CalRecycle has discretion to adjust the processing payment not more than every three months if:

- The department determines the average scrap value for a specific beverage container material type for the most recent available twelve-month period directly preceding the quarter the processing payment is calculated is five percent more or less than the statewide average scrap value used as the basis for the processing payment currently in effect; and
- Adjusting the processing payment is necessary to further the objectives of the beverage container recycling program.

This quarter, there are no adjustments.

The scrap values for glass, #1 PET and #2 HDPE have changed less than five percent, so there could be no adjustment to glass, #1 PET or #2 HDPE processing payments.

Processing payments for bimetal and plastics #3 - #7 are not being adjusted as the scrap values for these container material types are highly volatile and based on small volumes.



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Scrap values are based on the average scrap values paid to recyclers for the period between January 1, 2017, and December 31, 2017.

To review notices of changes impacting participants in the beverage container recycling program, please visit CalRecycle's Beverage Container Recycling Program home page on the Internet at <http://www.calrecycle.ca.gov/BevContainer/Notices/> or call (916) 323-3836.

For further information on the determination of processing payments, please contact Hieu Le, Market Information Section at (916) 323-5778.

If you have any questions concerning processing payment reporting requirements or completion of the DR-6, please contact the Recycler Training and Review Section at (916) 323-3008.

Sincerely,

Scott Smithline  
Director

Attachment