



# DEPARTMENT OF CONSERVATION

## DIVISION OF RECYCLING

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October 5, 2007

### NOTICE

TO: All Interested Parties

SUBJECT: Plastic Market Development Payment Program

On June 8, 2007, the Office of Administrative Law (OAL) approved the Department of Conservation, (Department), Division of Recycling 's (Division), emergency plastic market development payment regulations. These emergency regulations are necessary to implement the provisions of Public Resources Code (PRC) § 14949.2, as added by the passage of AB 3056 (Chapter 907, Stat. 2006).

The emergency plastic development payment regulations (California Code of Regulations [CCR] § 2880) clarify the statutory requirements for eligible certified entities and California product manufacturers to submit payment claims to the Division. These emergency regulations can be found at:

[http://www.consrv.ca.gov/dor/crcp/recyclers/Emergency\\_Regs.htm](http://www.consrv.ca.gov/dor/crcp/recyclers/Emergency_Regs.htm).

To assist eligible certified entities and California product manufacturers in qualifying and properly reporting for Plastic Market Development Payment (MDP), the Division has prepared an instructional bulletin. The instructional bulletin provides a simple step-by-step process to facilitate the reporting requirements as specified in the emergency regulations.

The Division will accept the Plastic Market Development Payment Claim Form (PMD 2) until October 19, 2007, for claims representing the first two calendar quarters (January – March and April – June). California product manufacturers must complete and submit a Plastic Market Development Payment – Manufacturer Identification Number Application (PMD 1) to be eligible for the MDP. To facilitate the process for the first two quarters of 2007, the PMD 1 can be submitted with the PMD 2.

Only California Refund Value (CRV) plastic beverage containers are eligible for MDP. Each entity is responsible for ensuring that only CRV material is claimed. To assist in determining the proper amount of CRV materials claimed for MDP, the Department shall calculate a statewide average MDP rate for PET and HDPE, annually, effective January 1. The MDP rates shall be used to determine the total eligible MDP payments for certified entities and product manufacturers after exclusion of all non-qualifying material (out-of-state, plant rejects, industrial scrap plastic, and other non-qualifying plastic material). The MDP rates shall be published on the Department's Website.

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To ensure that only CRV plastic beverage containers are paid MDP, the Division has determined the MDP rate for PET and HDPE for 2007. The MDP rates are PET, 92 percent; and HDPE, 31 percent.

We hope you will find the instructional bulletin a useful reference tool in complying with the requirements in CCR § 2880. We look forward to working with you to ensure that the intent of the Legislature to develop markets for recycled plastic beverage containers in the State is successful.

If you have any questions regarding this notice, please contact the Market Expansion Section at (916) 323-5878.

If you have any questions regarding the regulatory process, please contact Karen Denz at (916) 322-1899 or [Karen.Denz@conservation.ca.gov](mailto:Karen.Denz@conservation.ca.gov).

Sincerely,

Stephen M Bantillo  
Assistant Director  
for Recycling