



DEPARTMENT OF CONSERVATION

DIVISION OF RECYCLING

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October 5, 2007

NOTICE

TO: All Interested Parties

SUBJECT: Quality Incentive Payment Program

On June 21, 2007, the Office of Administrative Law (OAL) approved the Department of Conservation (Department), Division of Recycling 's (Division), emergency quality incentive payment (QIP) regulations. These emergency regulations are necessary to implement the provisions of Public Resources Code (PRC) § 14949.1, as amended by the passage of AB 3056 (Chapter 907, Stat. 2006).

The emergency QIP regulations (California Code of Regulations [CCR] §§ 2090, 2425, 2530, and 2850) clarify the statutory requirements for eligible certified entities that handle beverage containers collected by curbside and dropoff or collection programs 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.

To assist eligible certified entities in qualifying and properly reporting for the QIP program, 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.

To ensure that only CRV aluminum, glass, and plastic beverage containers collected by curbside and dropoff or collection programs are claimed for QIP, the Division has calculated Statewide Average QIP Rates for each container material type.

The Statewide Average QIP Rates are estimates of CRV material collected from curbside and dropoff or collection programs in a load of commingled material from all recyclers.

The Statewide Average QIP Rates are used for purchases without a shipping report (DR-6), i.e., processor-to-processor transactions. The statewide average commingled rates determined by the Department annually are used for direct purchases from curbside and dropoff or collection programs. Instructions on how to use these rates are described in the instructional bulletin.

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**2007 Statewide Average QIP Rates
All Programs**

Aluminum	Glass	#1 PET	#2 HDPE
7%	24%	21%	13%

2007 Statewide Commingled Rate Percentages (by weight)

Program Type	Aluminum	Glass	#1 PET	#2 HDPE
Curbside	95.5%	48%	75.3%	15.7%
Dropoff or Collection	96.8%	47.1%	80.9%	15.7%
Community Service	96.1%	50%	78.6%	13.7%

Eligible entities can begin claiming for QIP retroactive to January 1, 2007. As with the former quality glass incentive payment (QGIP) program, the Division will process QIP claims on a biannual basis (January – June and July – December). The Division will accept QIP claims for the January – June 2007 period until October 19, 2007.

We hope you will find the instructional bulletin a useful reference tool in complying with the requirements in the emergency regulations. We look forward to working with you to ensure that the intent of the Legislature to improve the quality and marketability of the recycled beverage containers collected by curbside and dropoff and collection programs 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.

Sincerely,

Stephen M Bantillo
Assistant Director
for Recycling