

July 31, 2008

Ms. Bridgett Luther, Director
California Department of Conservation
801 K Street, MS 24-01
Sacramento, CA 95814

SUBJECT: Support of Producer Responsibility: Peninsula Plastics/Merlin Plastics Project

Dear Ms. Luther:

The California Product Stewardship Council (CPSC) is a non-profit California corporation comprised of local governments and associations. CPSC's mission is to shift California's product waste management system to one that relies on producer responsibility in order to reduce public costs and drive improvements in product design that promote environmental sustainability.

CPSC has had the opportunity to review the merits of the proposed facility by Peninsula Plastics Recycling (PPR). The proposed project is currently seeking grant funding under the Division of Recycling Market Development and Expansion Grant Program. CPSC has adopted Framework Principals of Product Stewardship Policy (attached) jointly with the Northwest Product Stewardship Council. We believe that two of these principles directly align with the PPR Project.: 1) Designing programs that operate with minimal government involvement and 2) Producers maximize source reduction and recyclability in product design.

We understand the project proposes to site a PET processing facility in the central valley of California. The facility will produce FDA approved food grade recycled PET flake suitable for a variety of packaging applications, such as clam shell packaging, capable of containing up to 100% post-consumer PET.

We are encouraged that PPR reports that its major retail customers such as Costco, Sam's Club and Wal-Mart are demanding higher percentages of post-consumer content but are discouraged to hear that California does not have sufficient post-consumer PET processing capacity to meet the current demand for new products and packaging made from recycled PET. Instead, it is reported that most baled PET collected under the California Beverage Container Recycling program is shipped overseas to foreign markets where it is manufactured into lower value, non recyclable products.

In light of California's need to develop a strong infrastructure to manage our own wastes, the desire to reduce green house gas emissions, create green jobs, and encourage businesses to be good stewards of their product, CPSC supports PPR and any business that seeks to take responsibility for their product at end-of-life. We urge DOC to strongly consider the PPR proposal for one-time state grant support to allow a pro-active business to site a recycling facility in California and be a good steward of their product.

Sincerely,



Rob D'Arcy, Chair
CPSC Board of Directors