

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 1 -1	Unclassified		Website	SARA PEET		<p>Instead of charging Dealers, Cal Recycle should look into expanding the Convenient Zone Area radius and allow for existing Recyclers to obtain the handling fees. As of now, recyclers are only allowed to receive handling fees if the following are met:</p> <p>A recycler may be eligible for handling fees if they meet the conditions of the law (PRC 14514.7 and PRC 14525.5.1). Conditions include:</p> <ol style="list-style-type: none"> 1. The recycler is certified, operational, and redeems all empty CRV beverage container types. 2. The recycler is the only recycler in a convenience zone determined by CalRecycle. 3. If a recycler is a for-profit business in an urban area, the recycling center must be on-site or next to a beverage dealer. <p>If the recycling center is in a rural area or is a non-profit, it can be located anywhere in the convenience zone.</p> <p>Number 3 is not possible in all locations. With the amount of Curbside Recyclers closing, due to robbery, theft, and homeless. The Convenient Zone is still being served, just by an existing Recycler.</p> <p>This seems very demanding of CalRecycle and will put many stores into a hardship. Companies are already struggling to find and keep employees. Not to mention this seems more like a demand, which is not good for the many companies already leaving CA from the amount regulation. It all rolls downhill to the consumer, prices will continue to go up in the stores to help offset this new operational cost. This will not help, this will only put money into CalRecycle's fund from the \$100 a day fines. Not ethical at all or a good service to the public.</p>	<p>CalRecycle rejects this comment. With regard to expanding the size of convenience zones and changing the requirements for recycling centers to increase recycling center handling fee eligibility, this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. Regarding which entities are eligible for handling fees and the size of convenience zones, CalRecycle does not have the authority to change statute, which would be required to implement the changes suggested in the comment. The goal of this rulemaking is to implement the law as enacted pursuant to SB 1013.</p>
I- 2 -1	Unclassified		Website	Mark Chou		<p>Division 12.1 of the California Public Resources Code (PRC), as currently implemented, requires supermarkets in unserved convenience zones to redeem CRV in-store or pay an in-lieu fee of \$100/day to opt out. Prior to January 2023 the urban* convenience zone radius was half a mile, but has since expanded to a mile. Azone is "served" if it contains one certified recycling center, and "unserved" if there is no certified recycling center.</p> <p>Effective January 2025, in-lieu fee option will be eliminated. Supermarkets may choose to redeem in-store, or participate in co-ops to set up certified recycling centers for CRV redemption.</p> <p>For those who currently reside or work in urban "unserved" zones, the in-store redemption requirement (that predates SB1013) has enabled consumers to redeem CRV wherever they shop (namely, single combined trip to shop and redeem) and not be limited to a single redemption location within a convenience zone (as in served areas). So in unserved zones, beverage container redemptions work much like other states.</p> <p>The rule changes will likely result in significant reduction in number and density of redemption locations in any geographic area, as each operational co-op recycling center serves and "blankets" a zone. Once a zone becomes "served," all other stores in the zone are spared/exempted from CRV redemption in-store.</p> <p>Even today, a supermarket in an unserved zone can install an Olyns reverse vending machine (RVM). The mere presence of a single RVM converts the unserved zone into a served one. Olyns RVMs, according to the State, are certified recycling centers, even though the machines offer worse levels of service as they are more often full than not. A RVM is simply an automated means of redeeming CRV, and I challenge any legislator or CalRecycle official to provide a plausible explanation why stores that redeem CRV in-store aren't recycling centers, but somehow a RVM installation gets designated "certified recycling center." [This is not a rhetorical request, I'd like the CalRecycle Director of Beverage Container Recycling or the Governor to respond to this point.]</p> <p>I want to make clear that I'm not against RVMs, those work well in other states. I'm against the proposition that RVMs should be certified recycling centers, which have demonstrably worse level of service compared to supermarkets that redeem manually, and convert an unserved convenience zone into a served one. The RMV as certified recycling center provision in the PRC is anti-consumer and is anything but "convenient."</p> <p>Since businesses solely dedicated to recycling beverage containers are no longer a viable business model, the State of California should dispense with the pretense of "convenience zones" and enable or require each supermarket to install RMVs, just like many other states. At the very minimum the convenience radius should once again be reduced to half a mile, as gasoline costs are now well over \$5/gal, the additional trip generated wipes out any paltry sums that could be reclaimed via CRV redemption. Even 10 years ago, when gasoline prices rarely exceeded \$3/gal, half-mile "convenience zones" were anything but convenient for those who desired to recoup CRV..</p> <p>In summary, please</p> <ul style="list-style-type: none"> - Eliminate convenience zones, or at a minimum, revert urban convenience zone radius to half-mile - Reverse vending machines should not be designated as "certified recycling centers" - Enable or mandate every supermarket to install at least one RVM or redeem manually. 	<p>CalRecycle rejects this comment. CalRecycle does not have the statutory authority to repeal or replace PRC section 14509.4, the definition of a convenience zone, or PRC section 14571, which addresses the requirements for a recycling center that is a reverse vending machine. CalRecycle also does not have the authority to mandate that every supermarket install at least one reverse vending machine or redeem beverage containers in-store, which would conflict with the option established in PRC section 14578 for a dealer in an unserved convenience zone to either redeem in store or join a dealer cooperative. CalRecycle does not have the authority to change statute, which would be required to implement the changes suggested in the comment. The goal of this rulemaking is to implement the law as enacted pursuant to SB 1013.</p>
I- 3 -1	Comment Letter		Website	Leonard Lang			

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 3 -2	[Subchapter 1] Definitions	2000. Definitions	Website	Leonard Lang		Definitions Section 2000 (a) (5) this definition adds "dealer cooperative" but fails to add "reverse vending machine". In the beginning of the program they had their own classification is distinguished by RV.	CalRecycle rejects this comment. With regard to adding reverse vending machines as a classification of operation, this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. The definition for "categories" identifies examples of certified or registered entities operating within the BCRP. Such "categories of operation" may utilize reverse vending machines, but reverse vending machines are not a certified or registered entity in and of themselves. To the extent that reverse vending machines are not a certified or registered entity, CalRecycle cannot define "reverse vending machines" as a "category of operation". Reverse vending machines are established in proposed section 2370 as an innovative method of redemption.
I- 3 -3	[Subchapter 1] Definitions	2000. Definitions	Website	Leonard Lang		Grandfathered recycling center should be removed because it is no longer possible to have this category.	CalRecycle rejects this comment. With regard to removing "grandfathered recycling centers" as an entity of the BCRP from the definition of "category", this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. To the extent that it is no longer possible to establish a "grandfathered recycling center", "grandfathered recycling centers" still exist in statute and CalRecycle is not able to delete this term as a classification of operation until the statute has been amended.
I- 3 -4	[Subchapter 1] Definitions	2000. Definitions	Website	Leonard Lang		(33) as in section (5) RV should be an additional and separate category. RVs cannot distinguish between redemption and non-redemption containers nor can they distinguish between California or out-of-state containers. For this reason they are reimbursed at a comingled rate.	CalRecycle rejects this comment. With regard to your comment regarding recycling center and reverse vending machine technology for visual inspection of qualifying empty beverage containers, this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. CalRecycle's references to reverse vending machine as a tool for redemption instead of as something that can be registered or certified by CalRecycle is consistent with statute. The definition of "operator" defines the person who is ultimately responsible for the operation of entities, facilities, and programs that can be registered or certified by CalRecycle. Because CalRecycle does not have authority to certify or register reverse vending machines, as opposed to recycling centers, the inclusion of "reverse vending machine" in the definition of "operator" would be inconsistent with the duties and powers conferred to CalRecycle by statute.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 3 -5	[Subchapter 1] Definitions	2000. Definitions	Website	Leonard Lang		The term recycling facility should be changed to recycling center for clarity and to distinguish the different classifications.	CalRecycle accepts the commenter's suggestion to change the term "recycling facility" to "recycling center" and has made the necessary conforming changes in the regulatory text. This change does not affect the scope of the regulatory text.
I- 3 -6	[Subchapter 1] Definitions	2000. Definitions	Website	Leonard Lang		The addition of dealer cooperative creates confusion. Will the dealer cooperative be issued a "Recycling Center" certification designation? If it does then the term dealer co-op is unnecessary.	CalRecycle rejects this comment. With regard to making conforming changes to incorporate dealer cooperatives as a new entity in the BCRP, this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. To the extent that dealer cooperatives will offer empty beverage container redemption for consumers similar to recycling centers, CalRecycle will register dealer cooperatives with a registration number and not a certification like recycling centers.
I- 3 -7	[Subchapter 1] Definitions	2000. Definitions	Website	Leonard Lang		(42) this section resolves the confusion found in section (33) because it clearly identifies Certified Recycling Center. But the confusion remains, will dealer cooperatives operate and be paid as certified recycling centers?	CalRecycle accepts this comment in part. With regard to making conforming changes to incorporate dealer cooperatives as a new entity in the BCRP, this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. Dealer cooperatives are eligible for reimbursement of California Redemption Value funds paid to consumers, processing payments, handling fees, and administrative fees pursuant to PRC section 14578.5 (d)(1). However, to resolve any confusion expressed by this comment, CalRecycle has made changes in this paragraph to clarify that dealer cooperatives are registered entities. CalRecycle rejects in part this comment to the extent it recommends having dealer cooperatives be certified and paid as if they were recycling centers. Both recycling centers and dealer cooperatives are distinct categories of entities in statute and the treatment of dealer cooperatives in these regulations is consistent with statute.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 3 -8	[Subchapter 1] Definitions	2000. Definitions	Website	Leonard Lang		(44) this section perpetuates the confusion with the use of the term dealer cooperative.	CalRecycle rejects this comment. With regard to making conforming changes to incorporate dealer cooperatives as a new entity in the BCRP under the definition of "shipping report", this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. To the extent that dealer cooperatives are a new entity of the beverage container recycling program, CalRecycle must update existing regulations where all entities of the beverage container recycling program are referenced, including in the definition of "shipping reports".
I- 3 -9	[Subchapter 2 Art. 1] Certification Application Procedures	2030. Review of Applications	Website	Leonard Lang		Certification Section 2030 This section removes references to the Division of Recycling (DOR) and replaces it with Department. Statute is clear, these functions are to be done by the Division of Recycling. There is no authority for these functions to be done outside the DOR. For example, proposed regulations and possibly other functions are already occurring within the Division of Circular Economy. A new division for which I can find no statutory authority. All references to the Department should not be made.	CalRecycle rejects this comment. Replacing references to the "Division of Recycling" with the "Department of Resources Recycling and Recovery" is necessary because Sen. Bill No. 353 (2023-2024 Reg. Sess., Chapter 868 of the Statutes of 2023) amended PRC section 40401(a)(2) to reflect that it is CalRecycle that is vested with the authority to enforce PRC Division 12.1 rather than the Division of Recycling.
I- 3 -10	[Subchapter 2 Art. 1] Certification Application Procedures	2030. Review of Applications	Website	Leonard Lang		(g) (9) this section states that any recycling center application for a location within a convenient zone served by a dealer cooperative may be denied. This section should be deleted because it lacks authority. Traditionally, there has been no prohibition for the new recycling centers to open up in served convenient zones. This actually provides a benefit to the dealers by relieving them of their responsibility to participate in the dealer co-op. This is a benefit because per PRC 14578.5, co-ops are subjected to more burdensome requirements. For example, reimbursement and be delayed for up to seven days whereas a recycling center is to be reimbursed within two days.	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This regulatory provision, 2030 (g) (9) is designed to aid the statutory objective of creating greater consumer convenience in an unserved zone. A dealer cooperative will provide redemption throughout the unserved zone, which would achieve the objectives of SB 1013. The provision is reasonable because if recycling centers are certified in an unserved zone with a fully operational dealer cooperative, this would make the zone served and obviate the need for the dealer cooperative. It would also render the dealer cooperative ineligible to receive program payments to recoup their investment in that zone, likely causing the dealer cooperative to disband. This would not achieve the goals and objectives identified in SB 1013. It does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 3 -11	[Subchapter 4.5 Art. 1] Definitions	2370. Definitions	Website	Leonard Lang		Dealer & Dealer Cooperatives Section 2370-Definitions (c) this section defines "Dealer cooperative zone" but creates confusion by referencing unserved zone(s). Each zone should be a separate cooperative with a separate plan because it will have separate and individual members of the co-op. The reference to zones should be removed.	CalRecycle accepts the commenter's suggestion to change the phrasing of "dealer cooperative zone" and has replaced all usage of "dealer cooperative zone" with the phrasing "area covered by a dealer cooperative's stewardship plan" for clarity. This change does not affect the scope of the regulatory text.
I- 3 -12	[Subchapter 4.5 Art. 1] Definitions	2370. Definitions	Website	Leonard Lang		(f) this section refers to the imposition of an unauthorized and unnecessary standard for "GAAP" which is an acronym for generally accepted accounting principles. Not only does this impose a burden on the operator could impose additional burden and cost on the accounting services used by the co-op operator. If the records are sufficient for the IRS and not a condition of incorporation, then the department has no business imposing this standard. It's a reflection of how department staff believe they can do anything they want and that they probably haven't taken the rulemaking class offered by OAL.	CalRecycle accepts the commenter's suggestion to delete the definition of GAAP and has deleted all usage of "GAAP" from the regulation text. This change does not affect the scope of the regulatory text.
I- 3 -13	[Subchapter 4.5 Art. 1] Definitions	2370. Definitions	Website	Leonard Lang		(g) (2) this section refers to "other method of redemption that does not require an attendant to accept materials." There is no other method authorized by statute of this sentence should be removed.	CalRecycle rejects this comment. Imposing requirements or definitions in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements and definitions through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. The definition of innovative method of redemption including other method of redemption that does not require an attendant to accept material is designed to aid the statutory objective of consumer convenience and access to redemption opportunities. The provision is reasonable because recycling innovation is rapidly developing to meet the specific needs and convenience of today's modern consumer and therefore flexibility in the definition is necessary. The provision does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.
I- 3 -14	[Subchapter 4.5 Art. 1] Definitions	2370. Definitions	Website	Leonard Lang		(h) this section defines "Redemption contractor" it should be amended to state "a person or certified operator redeeming empty beverage containers from consumers pursuant to a stewardship plan on behalf of a dealer cooperative to recognize this permitted option.	CalRecycle rejects this comment. CalRecycle disagrees that clarification is needed with regard to adding certified operator to the definition of "redemption contractor" because "person" is already formally defined in section 2000. A "redemption contractor" is not required to be a certified operator in order to act as a "redemption contractor" for a dealer cooperative.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 3 -15	[Subchapter 4.5 Art. 1] Definitions	2370. Definitions	Website	Leonard Lang		(i) this section defines Redemption Location where containers are redeemed but it goes on to state that a location is not required to obtain a certification or registration number from the department to operate as a stewardship program. The Beverage Container Recycling Program is designed to provide auditability to help prevent fraud. Recyclers and processors must have an acceptable certification number to purchase material.	CalRecycle rejects this comment. With regard to the definition of "redemption location" and "redemption site" this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. To the extent that redemption locations are not required to obtain department certification or a registration number, this definition supports the requirement that the redemption location is operating under the registration number of the dealer cooperative as part of the dealer cooperative's stewardship plan. A dealer cooperative is issued a registration number by CalRecycle when its stewardship plan is approved, and it is this dealer cooperative registration number that the redemption site or redemption location operates under rather than being issued its own registration or certification number.
I- 3 -16	[Subchapter 4.5 Art. 1] Definitions	2370. Definitions	Website	Leonard Lang		As stated earlier the reference to "Department" should be amended to state "Division" (DOR).	CalRecycle rejects this comment. Replacing references to the "Division of Recycling" with the "Department of Resources Recycling and Recovery" is necessary because Sen. Bill No. 353 (2023-2024 Reg. Sess., Chapter 868 of the Statutes of 2023) amended PRC section 40401(a)(2) to reflect that it is CalRecycle that is vested with the authority to enforce PRC Division 12.1 rather than the Division of Recycling.
I- 3 -17	[Subchapter 4.5 Art. 1] Definitions	2370. Definitions	Website	Leonard Lang		(k) this section defines "Stewardship plan" but fails to reference PRC 14578 as authority.	CalRecycle rejects this comment. CalRecycle disagrees that clarification is needed with regard to referencing PRC section 14578 as authority in defining "stewardship plan" because PRC section 14578.5(c)(1) requires that dealer cooperatives submit a "stewardship plan" and outlines the requirements of a "stewardship plan". PRC section 14578.5 is therefore necessary to list as an authority in the regulation text, while PRC section 14578 is not necessary because it does not explicitly outline the requirements for "stewardship plans".

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 3 -18	[Subchapter 4.5 Art. 2] Dealers	2371. Dealer Registration	Website	Leonard Lang		DEALERS-Section 2371, Dealer registration (a) (1) this section lacks clarity because it states that each dealer shall register "its sites". For clarity it should simply say each dealer shall register.	CalRecycle accepts this comment. It is necessary to require each dealer within a convenience zone to separately register each of its retail locations. A dealer may have multiple retail locations within a single convenience zone or be located in multiple convenience zones. The proposed regulation is intended to make it clear that the registration requirement applies to each of the dealers' "locations" or "sites". However, CalRecycle acknowledges that the meaning of the term "location" may be more generally understood and will amend the proposed text to replace the term "sites" with "retail locations".
I- 3 -19	[Subchapter 4.5 Art. 2] Dealers	2371. Dealer Registration	Website	Leonard Lang		(4) & (5) both these sections impose burdensome conditions on the dealer to constantly supply the names of staff which may be subject to high turnover. This is unnecessary and should only include the owner.	CalRecycle rejects this comment. The owner's contact information and a secondary contact are needed because the owner may be a corporate entity rather than an individual or a person who is present at the location. It is reasonable and necessary to require a secondary contact who will be available during normal business hours to respond to inquiries regarding registration information for that specific dealer location.
I- 3 -20	[Subchapter 4.5 Art. 1] Definitions	2371. Dealer Registration	Website	Leonard Lang		(8) The website for a dealer is unnecessary, burdensome, and unauthorized.	CalRecycle rejects this comment. It is reasonable to request the website address of the dealer if one is available to provide an alternative contact or address in the event that CalRecycle is unable to reach the contacts provided by the dealer.
I- 3 -21	[Subchapter 4.5 Art. 2] Dealers	2371. Dealer Registration	Website	Leonard Lang		(11) the date the dealer began business is burdensome and unnecessary.	CalRecycle rejects this comment. It is reasonable and necessary to require a start of business date for the following reasons: 1) It gives CalRecycle the ability to determine if the dealer has registered in compliance with the registration deadline set by section 2371(a)(2). 2) Some dealers may choose to register prior to opening for business. The dealer's responsibilities in an unserved convenience zone do not begin until they start operating.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 3 -22	[Subchapter 4.5 Art. 2] Dealers	2371. Dealer Registration	Website	Leonard Lang		(12) Dealers sell beverages as defined by the Act. The types of beverages sold are unnecessary and burdensome.	CalRecycle rejects this comment. It is necessary for CalRecycle to inquire if the retailer sells CRV beverages in order to determine whether or not they are subject to the requirements of PRC sections 14578 and 14578.5. The registration form will provide options to choose from in a checkbox or dropdown menu requiring minimal time from the dealer. However, CalRecycle will amend the proposed language in CCR section 2371(b)(12) to include the beverage container type, material type, and size on the registration form to determine if the products the dealers sell are CRV eligible beverage containers pursuant to PRC section 14504.
I- 3 -23	[Subchapter 4.5 Art. 2] Dealers	2371. Dealer Registration	Website	Leonard Lang		(c) (1) the required information should be defined in the application therefore making this section unnecessary as well as burdensome. The Division is a history of making applicants jump through hoops to delay the process and increased burden.	CalRecycle accepts this comment. The commenter is requesting that the information requested be clearly stated in the registration application. The required information is clearly stated in sections 2371(c)(1) and 2371(c)(2). It would be more burdensome to require this information from all registrants. As proposed, supporting information would only be necessary if substantiation is needed to verify eligibility for the exemption authorized under PRC section 14578(b)(1). The commenter may be interpreting section 2371(c) of the proposed regulations to mean that CalRecycle may require unspecified information in addition to the information outlined in sections 2371(c)(2) and 2371(c)(3). CalRecycle acknowledges that the regulations may benefit from greater clarity. CalRecycle proposed amendments to clarify that supporting information will be limited to what is specified under sections 2371(c)(1) and 2371(c)(2). Furthermore, a timeline of 15 working days has been added to address the commenters concerns about unnecessary delays that may be imposed by CalRecycle.
I- 3 -24	[Subchapter 4.5 Art. 2] Dealers	2372. Dealer Notification Requirements and New Registration Required	Website	Leonard Lang		Section 2372 Dealer Notification Requirements (a) This section puts an undue burden on the dealer to notify the Division if specified changes are to occur in the future. This requirement may not even be feasible. Instead, it should be amended to require notification of these changes within a specified time limit after they occur.	CalRecycle accepts this comment. CalRecycle amended the proposed text to require notification of a change in contact information in 2372(a)(1) after the effective date of the change. However, it is reasonable for a dealer to know if they will be moving or have a change of federal ID number at least 30 days prior to the event occurring.
I- 3 -25	[Subchapter 4.5 Art. 2] Dealers	2373. Dealer Redemption Requirements	Website	Leonard Lang		Section 2373 Dealer Redemption Requirements (a) (1) this section lacks clarity Because it fails to recognize how a dealer's membership would be terminated if they're part of a US 501(c)(3) nonprofit corporation.	CalRecycle rejects this comment. PRC section 14510.2 defines a dealer cooperative as a 501(c)(3) organization unrelated to section 2373(a) for which the purpose is to determine when a dealer must resume its responsibilities under PRC section 14578(a).

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 3 -26	[Subchapter 4.5 Art. 3] Stewardship Plan	2375. Stewardship Plan Submission	Website	Leonard Lang		Section 2375 Stewardship plan submission (a) (3) this section imposes a requirement that the cooperative must have a website which is unnecessary, burdensome, and unauthorized by the statute.	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This regulatory provision, section 2375(a)(3), is designed to aid the statutory objective of increasing consumer convenience and access for CRV redemption to increase California's recycling rates to 80% and reduce litter. Increasing internet website accessibility increases consumer convenience, as well as makes information related to redeeming CRV containers accessible and available to the public, including persons with disabilities. The provision is reasonable because posting online is necessary for ensuring transparency and public accessibility of a dealer cooperative's stewardship plan. Requiring the dealer cooperative to identify an internet website in its stewardship plan allows the dealer cooperative to use an existing internet website or to coordinate with other dealer cooperatives; it is not a requirement that a dealer cooperative create an entirely new website for this purpose. This does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.
I- 3 -27	[Subchapter 4.5 Art. 3] Stewardship Plan	2375. Stewardship Plan Submission	Website	Leonard Lang		(4) Again, the department is imposing unnecessary and burdensome standards pertaining to websites without authority. It should be deleted	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This regulatory provision, section 2375(a)(4), is designed to aid the statutory objective of increasing consumer convenience and access for CRV redemption to increase California's recycling rates to 80% and reduce litter. The provision is reasonable because imposing accessibility requirements on submitted stewardship plans ensures that the published information is accessible to all individuals, including persons with disabilities, thereby promoting inclusivity and community access to information regarding redemption of CRV containers. This does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 3 -28	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Leonard Lang		Section 2375.1 Stewardship plan Contents (a)(8) This is an unnecessary requirement and burdensome. The Division will know what processor or recycler they sold to by virtue of the required purchase reports that are submitted. Will they punish them if they sell to a different processor or recycler?	CalRecycle rejects this comment. Requiring a list of proposed processors and recycling centers the dealer cooperatives will ship material to is not burdensome or unnecessary. A dealer cooperative needs to identify this information prior to operation in order to function, and failure to identify this information signals a lack of readiness or preparation on the part of the dealer cooperative. In addition, this provision aids in the statutory objective of achieving a recycling rate of 80% as outlined in PRC section 14501(c). To ensure that dealer cooperatives are sending the redeemed material to be recycled, it is necessary to include this provision. If a dealer cooperative sells to a different processor or recycler not listed in their stewardship plan, they can add that new processor or recycling center to the list upon notifying the department that the stewardship plan is implemented as outlined in section 2376(e)(2).
I- 3 -29	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Leonard Lang		(b) again, this is burdensome, unnecessary and duplicates documentation already created by the program. It's not rocket science; purchased containers are shipped to recyclers and processors in a manner acceptable to the receiver/purchaser.	CalRecycle rejects this comment. With regard to stewardship plan contents and requirements this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. To the extent that the requirements are burdensome and unnecessary, the stewardship plan content requirements are necessary for a dealer cooperative to provide consumer convenience in accordance with PRC section 14578.5(c)(1).

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 3 -30	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Leonard Lang		The regulation also proposes that they have an education and outreach program which not only lacks authority but is excessively burdensome. The goal is to provide convenience to the consumer, not inconvenience the dealer or its co-op. This is not required of recyclers.	CalRecycle rejects this comment. The requirement of dealer cooperatives to provide outreach and education is necessary to increase consumer convenience and access to CRV redemption. PRC section 14578.5(c)(1) requires that dealer cooperatives' redemption programs provide sufficient redemption opportunities and comparable convenience to the requirements of PRC section 14571 and the outreach and education stewardship plan requirement is necessary to effectuate this statutory provision because education and outreach material are the most effective ways to communicate the stewardship plan to the public and to other dealers. The Act has placed the responsibility of providing convenience onto the dealer cooperatives, and for redemption opportunities to be considered convenient, consumers must be made aware. Dealer cooperatives are a separate recycling entity, and thus making dealer cooperative operation provisions the same as recycling center provisions is not necessary and is contrary to the intent of SB 1013.
I- 3 -31	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Leonard Lang		The entire section should be deleted	CalRecycle rejects this comment. The provisions outlining the content requirements for dealer cooperative stewardship plans are necessary to fulfill the requirements of the Act. PRC section 14578.5(c)(1) requires that redemption programs shall include sufficient redemption opportunities for consumers that have comparable consumer convenience to the requirements of section 14571 and include, but are not limited to, pilot projects described in PRC section 14571.9. The stewardship plan content requirements are necessary to identify the scope of the dealer cooperative programs, establish baseline performance standards, and to comply with PRC section 14578.5(c)(1).

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 3 -32	[Subchapter 4.5 Art. 3] Stewardship Plan	2376. Stewardship Plan Review and Approval or Disapproval; Operational Notice	Website	Leonard Lang		Section 2376 Plan approval or rejection As with other program participants the Department is taking an excessively long time to review and approve plans.	CalRecycle rejects this comment. With regard to the definitive timeframe and specific deadline of 90 days for CalRecycle to review and approve or disapprove a stewardship plan, this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. To the extent that a 90-day period is necessary as the amount of time needed for CalRecycle to complete a comprehensive review of a stewardship plan, this timeframe is reasonable and prompt. This timeframe was workshopped with the public on August 31, 2023, and initially presented as 120 days for CalRecycle to review a stewardship plan; however, in response to public feedback that this timeframe was too long, the review timeframe was reduced from 120 days to 90 days. A 90-day period balances the need to give CalRecycle enough time to review a stewardship plan with the necessity to give dealer cooperatives a response on whether their stewardship plan is approved or disapproved within a reasonable timeframe.
I- 3 -33	[Subchapter 4.5 Art. 3] Stewardship Plan	2376. Stewardship Plan Review and Approval or Disapproval; Operational Notice	Website	Leonard Lang		It's also making assumptions about those plans. If the plan is to operate as a recycler, then a certification should be issued as a recycler instead of imposing excessively burdensome prescriptions. The co-op in many cases, is going to be subjected to requirements and standards not required by certified recycling centers and not provided by the amended statute.	CalRecycle rejects this comment. PRC section 14578.5(b)(1) requires that the regulations include a registration process for dealer cooperatives. CalRecycle does not have the statutory authority to instead certify dealer cooperatives as recyclers, as suggested by the comment. Making dealer cooperative operation provisions the same as recycling center provisions is not necessary and is contrary to the intent of SB 1013 and this statutory provision.
I- 3 -34	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2380. Recordkeeping	Website	Leonard Lang		(a) Again, I reject the use of the standard GAAP as completely unnecessary, unauthorized and not currently imposed on any other certified entities. The department is taking advantage of the dealers who lack knowledge of the program and its history to expand its power and control over them. If the dealer co-op is serving the function of a certified recycling center, then it should be subject to the same record-keeping requirements as written in section 2525 of the regulations. GAAP pertains only to financial and accounting documents. They should not be subjecting them to additional requirements. Recordkeeping pertains to consumer purchases recorded on receipts or logs. So, this section should either duplicate Section 2525 or refer to it. Referring to it would be best.	CalRecycle accepts in part the commenter's suggestion to delete the definition of GAAP and has deleted all usage of "GAAP" from the regulation text. This change does not affect the scope of the regulatory text. CalRecycle rejects in part the comment requesting dealer cooperative record-keeping to be the same as recycling centers. Dealer cooperatives are afforded more flexibility in the way they may operate to redeem empty beverage containers from consumers. Because a dealer cooperative is not limited to the recycling center model of redemption, simply referring to the same record-keeping requirements as recycling centers would preclude any other type of redemption offered by dealer cooperative other than as a stand-alone recycling center. The proposed regulations are consistent with statute.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 3 -35	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2380. Recordkeeping	Website	Leonard Lang		(e) (1) for the record, this section requires that purchase records be legible. With recyclers, CalRecycle interprets this section improperly to impose an underground regulation. They interpret the section to mean that the recycler is responsible for the legibility of a customer's handwriting and is subject to enforcement if they cannot read it. This is what recyclers have been dealing with for most of the years of the program.	CalRecycle rejects this comment. With regard to record legibility, this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process.
I- 3 -36	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2380. Recordkeeping	Website	Leonard Lang		As we see in the ISOR, the records are supposed to be suitable for auditing or investigating a dealer cooperative. The DOR almost never audits payments by recyclers. They only conduct investigations. They stopped that years ago. They only audit payments into the program by distributors and manufacturers. The auditing function was removed from the Division to the Executive Branch years ago. I can find no authority for this change.	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This regulatory provision, section 2380(e), is designed to aid the statutory objective of fraud prevention. The provision is reasonable because PRC section 14578.5(f) requires that CalRecycle audit each dealer cooperative at least once every 24 months to ensure that proper program payments are made to consumers and dealer cooperative fees are being utilized for the operation of the approved redemption model. Therefore, records must be suitable for examination. This provision does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.
I- 3 -37	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2380. Recordkeeping	Website	Leonard Lang		(f) This section states the Dealer Cooperative (DC) shall give original records to the Department in a form and manner prescribed by the department within 10 days. Recycling center regulations require that the records be available for inspection. CalRecycle has chosen a different interpretation, that the recycler must turn over original records without chain of custody provisions and protections that should be provided for in regulation. The result of this is to impose excessive burden and cost on the recyclers. This amendment should be rejected.	CalRecycle rejects this comment. The immediate access to or transfer of original records is necessary to facilitate auditing and to prevent fraud. PRC section 14578.5(f) requires that CalRecycle shall audit each dealer cooperative at least once every 24 months to ensure that proper program payments are made to consumers and dealer cooperative fees are being utilized for the operation of the approved redemption model, and this auditing requirement necessitates the transfer of original records. Making dealer cooperative records provisions identical to recycling center records provisions is not necessary and is contrary to the intent of SB 1013, which establishes distinct requirements for dealer cooperatives as a new recycling entity.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 3 -38	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2381. Reporting	Website	Leonard Lang		Section 2381. Reporting This action covers the same function as written in Section 2530 of the recycler regulations. It should either duplicate that section or refer to it for simplicity, accuracy, and consistency. It should not increase burden by increasing requirements not written in statute.	CalRecycle rejects this comment. This provision, section 2381, provides specific operation standards unique to this new beverage container recycling entity and is necessary to increase consumer awareness, and provide flexibility of standards for dealer members to comply with their legal obligations. PRC section 14578.5(c)(6) explicitly requires that dealer cooperatives provide reports to CalRecycle that differ from the information reported under 14 CCR 2530. Making dealer cooperative operation provisions the same as recycling center provisions in section 2530 is not necessary and is contrary to PRC section 14578.5(c)(6).
I- 3 -39	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2382. Dealer Cooperative Operation	Website	Leonard Lang		Section 2382. Dealer Cooperative Operation This section covers "Operation Standards" as written in section 2500 of the recycler regulations. For consistency, accuracy, and simplicity, this section should either duplicate Section 2500 or refer to it. The latter is preferred.	CalRecycle rejects this comment. This provision provides specific operation standards unique to this new beverage container recycling entity and is necessary to increase consumer awareness, and provide flexibility of standards for dealer members to comply with their legal obligations. PRC section 14578.5(c)(1) requires that the dealer cooperative redemption program be sufficient with redemption opportunities for consumers with comparable consumer convenience to recycling centers and pilot projects. While the statute is specific that the redemption plan should be comparable, it is not required that dealer cooperative operate in the exact same manner as recycling centers. Making dealer cooperative operation provisions the same as recycling center provisions in section 2500 is not necessary, and is contrary to the intent of SB 1013.
I- 3 -40	[Subchapter 4.5 Art. 5] Enforcement	2385. Stewardship Plan Revocation; Enforcement Mechanisms	Website	Leonard Lang		Reasons for revocation of the "Stewardship Plan" refer to failure to implement the plan as approved by the department. Revocation should only refer to failure to comply with the standards imposed by Section 2500. No other reasons are found in statute.	CalRecycle rejects this comment. CalRecycle disagrees that the criteria for revocation of a stewardship plan needs to be the same as certified recycling centers because these criteria are designed for dealer cooperatives, a separate and unique BCRP entity. CalRecycle notes that this section has been revised for clarity in section 2385(b)(1). The revised regulation states that CalRecycle may revoke part or all of the stewardship plan for failure to comply with corrective action or implement the information in the approved plan pursuant to sections 2375.4 and 2375.6, which narrows the scope of actions that are grounds for revocation.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 3 -41	[Subchapter 4.5 Art. 5] Enforcement	2385. Stewardship Plan Revocation; Enforcement Mechanisms	Website	Leonard Lang		(e) Assuming dealer co-ops will be investing a considerable amount of time and money to provide recycling services to consumers, that time and money should be respected to encourage participation in the program. Therefore, hearings should be conducted by the formal hearing process pursuant Government Code section 11500.	CalRecycle rejects this comment. An informal rather than formal hearing is necessary to ensure dealers have a right to be heard in a timely manner. PRC section 14578.5(b) requires that CalRecycle adopt regulations "necessary for the implementation and enforcement of this subdivision" but does not specify the governing hearing procedures to be used in those regulations. Because the governing hearing procedure is not specified in the Act or SB 1013 (2022), Gov. Code section 11415.10 authorizes CalRecycle to conduct enforcement actions taken under proposed section 2385 of the regulations as informal hearings under the Administrative Procedure Act set forth in Article 10 of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Gov. Code. Establishing these hearings under the informal hearing provisions of the Administrative Procedure Act rather than the formal hearing provisions is necessary to effectuate this statutory provision because it allows efficient resolution of enforcement actions informally within CalRecycle, rather than requiring all enforcement actions to be heard before the Office of Administrative Hearings as formal hearings. Timely hearings and solutions are necessary for successful stewardship plans and public convenience to redeem beverage containers.
I- 3 -42	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2382. Dealer Cooperative Operation	Website	Leonard Lang		(f) This section presents an issue of clarity. A previous section on which I commented prohibited the certification of a recycling center in a convenient zone serviced by a dealer co-op. But this section would permit multiple dealer co-ops. It lacks authority, clarity and consistency and therefore should be deleted.	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. The provision allowing multiple dealer cooperatives to operate in the same unserved convenience zone is designed to aid the statutory objective of increasing consumer convenience and providing flexibility of standards for dealer members to comply with their legal obligations. The provision is reasonable because the nature of dealer cooperatives is a voluntary option for dealers under PRC section 14510.2. Their legal obligation under PRC section 14578(a) is to redeem in-store or to join a dealer cooperative. If the dealer cooperative formed by other members in the unserved zones is for any reason undesirable for a dealer member to join, then that dealer member can form their own dealer cooperative. Restricting the number of dealer cooperatives in a single unserved convenience zone thereby removes their voluntary choice to either redeem or join a dealer cooperative. It does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 3 -43	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2382. Dealer Cooperative Operation	Website	Leonard Lang		(g) this section makes absolutely no sense.	CalRecycle rejects this comment. With regard to convenience zones remaining classified as unserved with an operational redemption location, this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. To the extent that this section lacks clarity, this provision is necessary to clarify that a dealer cooperative does not satisfy the requirements for a convenience zone to be "served" under PRC section 14571(a). A dealer cooperative is permitted to operate in unserved convenience zones. If a dealer cooperative changed the convenience zone status to served, then the statutory obligation for a dealer to choose to redeem in-store or to join a dealer cooperative would cease and undermine the intent of SB 1013.
I- 3 -44	[Subchapter 4.5 Art. 5] Enforcement	2385. Stewardship Plan Revocation; Enforcement Mechanisms	Website	Leonard Lang		ENFORCEMENT Section 2385 The only good thing about this section is that it calls for the Division to require corrective action for noncompliance. This function is not provided to Certified Recyclers.	CalRecycle rejects this comment because this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. We thank you for your participation in the 45-day public comment period.
I- 3 -45	[Subchapter 4.5 Art. 5] Enforcement	2385. Stewardship Plan Revocation; Enforcement Mechanisms	Website	Leonard Lang		But then it goes off the rails to erroneously assume that the problem is with the stewardship plan.	CalRecycle rejects this comment because this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. To the extent that noncompliant dealer cooperatives will require corrective action, that may involve approval of a resubmitted stewardship plan or additional reporting. If a dealer cooperative fails to comply with the required corrective action or implement its approved stewardship plan, the stewardship plan and registration number will be revoked.
I- 3 -46	[Subchapter 4.5 Art. 5] Enforcement	2385. Stewardship Plan Revocation; Enforcement Mechanisms	Website	Leonard Lang		Then he goes on to impose undefined and potentially arbitrary reporting.	CalRecycle rejects this comment. With regard to reporting required as corrective action in section 2385, this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. Allowing reporting as a form of corrective action is necessary to ensure CalRecycle has sufficient information to assess the dealer cooperative's compliance with the Act and Regulations. This provision is consistent with PRC section 14578.5(c)(6), which requires a dealer cooperative to provide reports as required to CalRecycle in the form and manner that CalRecycle may prescribe.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 3 -47	[Subchapter 4.5 Art. 5] Enforcement	2385. Stewardship Plan Revocation; Enforcement Mechanisms	Website	Leonard Lang		(b)(2) This section creates a separate methodology for enforcement violations that is already applicable to Recyclers and Processors. Again, dealer co-ops should be subject to the same enforcement procedures by referencing to them in existing regulations.	CalRecycle rejects this comment. This provision provides a specific standard for revoking a dealer cooperative's stewardship plan or registration that is unique to this new beverage container recycling entity. While PRC section 14591.2 addresses department revocation of registrations within the BCRP in general, PRC section 14578.5(e) specifically allows CalRecycle to "revoke a dealer cooperative's registration or the plan for failure to provide redemption for consumers." Because the phrase "failure to provide redemption for consumers" in statute is ambiguous, this regulatory standard for revocation unique to dealer cooperatives is therefore necessary to clarify, implement, and make specific SB 1013. This specific standard for revocation was chosen because the status of dealer cooperatives can affect the legal obligations of its dealer members and the availability of redemption opportunities within the entire unserved convenience zone, while other registered or certified entities do not trigger immediate obligations on BCRP participants should those registrations or certifications be revoked.
I- 3 -48	[Subchapter 4.5 Art. 5] Enforcement	2385. Stewardship Plan Revocation; Enforcement Mechanisms	Website	Leonard Lang		(d) This section addresses a request for a hearing allowing 30 days to apply. It ignores the operators right to a speedy hearing. The original regulations supported by the Statement of Reasons required the Division to hold the hearing within 20 days of the request. At some point in time Division staff reinterpreted the regulation and intent to only require themselves to schedule a hearing within 20 days. This is resulted in hearings not being scheduled for months if it was inconvenient for the Department and its witnesses. "Justice delayed is justice denied."	CalRecycle rejects this comment. CalRecycle disagrees that a change is needed with regard to the specified timeframe for dealer cooperatives to submit a request to CalRecycle for a hearing, as described in section 2385(d), because submitting the request within 30 days of receipt of the notice provides the dealer cooperative with a reasonable amount of time to review the notice and determine whether to request a hearing. This is necessary to ensure fairness and to allow the dealer cooperative an opportunity to present evidence before CalRecycle issues a final decision on the matter. Nothing prevents a dealer cooperative from submitting the request for a hearing sooner than within 30 days of receipt of the notice.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 3 -49	[Subchapter 4.5 Art. 5] Enforcement	2385. Stewardship Plan Revocation; Enforcement Mechanisms	Website	Leonard Lang		(e) In this section only provides for informal hearings pursuant to Government Code 11445.10. It makes no provisions for formal hearings pursuant to Government Code 11500. If the dealer co-ops are to be encouraged their time and investment must be protected. Informal hearing is without separation of powers, nor does it guarantee the right to discovery. It is a threat to any small business. For that reason, only formal hearings should be allowed based on GC 11500. The statute did not extend the use of the informal hearing for the dealer co-ops.	CalRecycle rejects this comment. An informal rather than formal hearing is necessary to ensure dealers have a right to be heard in a timely manner. PRC section 14578.5(b) requires that CalRecycle adopt regulations "necessary for the implementation and enforcement of this subdivision" but does not specify the governing hearing procedures to be used in those regulations. Because the governing hearing procedure is not specified in the Act or regulations, Gov. Code section 11415.10 authorizes CalRecycle to conduct enforcement actions taken under proposed section 2385 of the regulations as informal hearings under the Administrative Procedure Act set forth in Article 10 of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Gov. Code. Establishing these hearings under the informal hearing provisions of the Administrative Procedure Act rather than the formal hearing provisions is necessary to effectuate this statutory provision because it allows efficient resolution of enforcement actions informally within CalRecycle, rather than requiring all enforcement actions to be heard before the Office of Administrative Hearings as formal hearings. Timely hearings and solutions are necessary for successful stewardship plans and public convenience to redeem beverage containers.
I- 3 -50	[Subchapter 4.5 Art. 5] Enforcement	2386. Penalties and Interest Charges	Website	Leonard Lang		Section 2386-Penalties & interest Once again, dealer co-ops should be subject to the existing provisions applicable to Certified Recyclers, they serve the same function.	CalRecycle rejects this comment. This provision is necessary to provide specific enforcement standards unique to this new BCRP entity. PRC section 14578.5(c)(1) requires that the dealer cooperative redemption program be sufficient with redemption opportunities for consumers with comparable consumer convenience to recycling centers and pilot projects. While the statute is specific that the redemption plan should provide for comparable redemption opportunities, it is not required that dealer cooperatives operate or have enforcement procedures in the same manner as recycling centers. PRC section 14578.5(b)(1) requires CalRecycle specifically to adopt regulations for the enforcement of dealers and dealer cooperatives. Making dealer cooperative and dealer procedures for penalties and calculated interest provisions the same as recycling center is contrary to the provisions of SB 1013.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 3 -51	[Subchapter 4.5 Art. 5] Enforcement	2386. Penalties and Interest Charges	Website	Leonard Lang		It also puts them at a permanent disadvantage by forcing them into informal hearings. Again, for their protection, the dealer co-ops should be given the protection of the formal hearing, GC 14500.	CalRecycle rejects this comment. Section 2386 provides that civil penalties sought by CalRecycle that exceed the dollar amount specified in PRC section 14591.1(a)(2) are subject to formal hearing. Additionally, PRC section 14591.1(a)(2) explicitly authorizes penalties equal to or less than \$5,000 to be assessed using a notice of violation process established through regulation. Therefore, the proposed regulatory provision is necessary to comply with the Act.
I- 3 -52	[Subchapter 5 Art. 3] Accounting and Reporting Requirements	2420. Recordkeeping	Website	Leonard Lang		PROCESSORS Section 2420 Record-keeping Current law and regulation require certified operators to prepare shipping reports prior to delivery to a receiving processor or recycler. Either this section fails on clarity, or it fails on procedure. It's making the preparation of the report the responsibility of the processor, not the shipper. Under existing regulation that responsibility by the processor only applies to loads received from curbside operators, collection/drop-off programs, and service programs. The procedures for recyclers would be the same as that is used for dealer coops.	CalRecycle rejects this comment. Because dealer cooperatives are a new type of recycling operator under the BCRP, it is necessary for processors that have more experience under the program to prepare shipping reports rather than the dealer cooperatives. This will streamline the process as a single processor may prepare shipping reports for multiple dealer cooperatives, rather than each dealer cooperative preparing their own shipping report.
I- 3 -53	[Subchapter 5 Art. 3] Accounting and Reporting Requirements	2425. Reporting	Website	Leonard Lang		Section 2425. Reporting The amendments to (h)(1)(B) should be reversed for clarity and consistency.	CalRecycle rejects this comment. The revision to renumber the provisions is necessary to make conforming changes for consistency in numbering within these regulations.
I- 3 -54	[Subchapter 5 Art. 3] Accounting and Reporting Requirements	2430. Payments	Website	Leonard Lang		Section 2430. Payments In contradiction to section 2420 this section correctly states that the processor only completes the bottom of the shipping report provided by the dealer co-op. Therefore, the two sections are in conflict and must be resolved.	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to processor payments and shipping reports. The following change has been made: section 2430(a)(1) has been amended to require processors to complete the entire shipping report after inspecting the load received from dealer cooperatives.
I- 3 -55	[Subchapter 5 Art. 3] Accounting and Reporting Requirements	2430. Payments	Website	Leonard Lang		(b)(2)(A) this amendment should be reversed consistent with the recommendation for section 2425.	CalRecycle rejects this comment. The revision to renumber the provisions is necessary to make conforming changes for consistency in numbering within these regulations.
I- 3 -56	[Subchapter 6 Art. 1] Requirements for Recycling Centers	2501. Load Inspection Requirements	Website	Leonard Lang		RECYCLING CENTERS-Requirements Section 2501 Load Inspection Since the dealer co-op serves and acts as a certified recycling center, it should receive a similar certification which would simplify and clarify that function served.	CalRecycle rejects this comment. At this time, CalRecycle does not have the statutory authority to approve dealer cooperatives as a certified recycling center. Statute PRC 14578.5 requires that dealer cooperatives be registered rather than certified. Dealer cooperatives are a separate recycling entity, and thus making dealer cooperative provisions the same as recycling center provisions is contrary to SB 1013, which establishes dealer cooperatives as a distinct recycling entity.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 3 -57	[Subchapter 6 Art. 1] Requirements for Recycling Centers	2501. Load Inspection Requirements	Website	Leonard Lang		"Line Breakage" is an obsolete term and should be removed.	CalRecycle rejects this comment. The scope of this rulemaking package is limited to dealer registration and dealer cooperatives. With regard to removing or revising the term "line breakage," this extends beyond the regulation of dealer cooperatives, and is therefore outside the scope of this rulemaking package.
I- 3 -58	[Subchapter 6 Art. 1] Requirements for Recycling Centers	2501. Load Inspection Requirements	Website	Leonard Lang		They are rejected containers from the glass manufacturing process which the industry learned to reuse years ago. This section should be eliminated or modified to reflect those changes.	CalRecycle rejects this comment. The scope of this rulemaking package is limited to dealer registration and dealer cooperatives. With regard to removing or revising the term "line breakage," this extends beyond the regulation of dealer cooperatives, and is therefore outside the scope of this rulemaking package.
I- 3 -59	[Subchapter 6 Art. 2] Handling Fees	2516. Eligibility Criteria	Website	Leonard Lang		Section 2516. Eligibility Criteria It's time to remove all references to "grandfathered recycling center". There are none and there will never be any in the future. The term is obsolete.	CalRecycle rejects this comment. The scope of this rulemaking is limited to dealer registration and dealer cooperatives. Removing the term "grandfathered recycling center" is outside the scope of dealer registration and dealer cooperatives. To the extent that it is no longer possible to establish a "grandfathered recycling center", "grandfathered recycling centers" still exist in statute and CalRecycle is not able to delete this term as a classification of operation until the statute has been amended.
I- 3 -60	[Subchapter 6 Art. 2] Handling Fees	2516. Eligibility Criteria	Website	Leonard Lang		(g) This section lacks clarity as written. It should be simplified to state may operate anywhere in the zone to be eligible and receive handling fee payments.	CalRecycle rejects this comment. With regard to clarifying the operation of dealer cooperatives anywhere in an unserved zone for purposes of handling fee eligibility, the comment's proposed language does not meaningfully add any clarity to the statutorily-consistent CalRecycle-proposed language.
I- 3 -61	[Subchapter 6 Art. 2] Handling Fees	2518. Calculations and Payments	Website	Leonard Lang		Section 2518. Calculations & Payments It's worth repeating that all proposed changes from Division to Department should be rejected to ensure that all functions of the Beverage Container Recycling Program are performed within the DOR which is been authorized for decades.	CalRecycle rejects this comment. Replacing references to the "Division of Recycling" with the "Department of Resources Recycling and Recovery" is necessary because Sen. Bill No. 353 (2023-2024 Reg. Sess., Chapter 868 of the Statutes of 2023) amended PRC section 40401(a)(2) to reflect that it is CalRecycle that is vested with the authority to enforce PRC Division 12.1 rather than the Division of Recycling.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 3 -62	[Subchapter 6 Art. 2] Handling Fees	2518. Calculations and Payments	Website	Leonard Lang		Giving the dealer co-op a different classification and different treatment only confuses their function which is the same as Certified Recycling centers (RC). This should be the most preferable when assimilating this entity into the program for both the Division's information systems and staff.	CalRecycle rejects this comment. With regard to CalRecycle's procedures for determining handling fee payments this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. Dealer cooperatives are a separate recycling entity, and thus making dealer cooperative provisions the same as recycling center provisions is contrary to SB 1013, which establishes dealer cooperatives as a distinct recycling entity.
I- 3 -63	[Subchapter 6 Art. 2] Handling Fees	2519. Handling Fee Appeals	Website	Leonard Lang		Section 2519. Handling The Appeals This amendment is completely unnecessary if the operator is treated as a certified recycling center.	CalRecycle rejects this comment. Dealer cooperatives are a separate recycling entity, and thus making dealer cooperative provisions the same as recycling center provisions is contrary to SB 1013, which establishes dealer cooperatives as a distinct recycling entity.
I- 3 -64	[Subchapter 6 Art. 3] Accounting and Reporting Requirements	2530. Reporting	Website	Leonard Lang		Section 2530. Reporting None of these amendments are necessary and burden would be reduced by treating them as a certified recycling center.	CalRecycle rejects this comment. With regard to adding dealer cooperatives as an entity from which recycling centers can receive material, this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. This provision is necessary to clarify that recycling centers can receive material from dealer cooperatives, which implements the provisions of SB 1013 allowing dealer cooperatives to redeem material.
I- 3 -65	[Subchapter 6 Art. 3] Accounting and Reporting Requirements	2535. Payments to Consumers Curbside Programs Community Service Programs and Dropoff or Collection Programs	Website	Leonard Lang		Section 2535. Payments to Consumers (d) Since the beginning of the program, unless a Reverse Vending Machine can distinguish between similar containers that do not possess redemption value it was to be reimbursed at a commingled rate calculated specifically calculated for that purpose. No machine can determine if all containers are redemption, nonredemption, or out-of-state containers. This section should be amended to reflect this and protect the Fund.	CalRecycle rejects this comment. With regard to clarifying the technological capabilities of reverse vending machines as it relates to CRV eligible and in-state purchased beverage containers this comment is outside of the scope of this regulatory package, which relates to dealer registration and dealer cooperatives. CalRecycle notes that section 2535 is no longer being amended in this regulation package. Redemption payment requirements applicable to dealer cooperatives are now in section 2382, Dealer Cooperative Operation.
I- 3 -66	Unclassified		Website	Leonard Lang		SUMMARY The function of serving consumers by recyclers or dealer co-ops acting as recyclers should be consistent with existing recycler regulations.	CalRecycle rejects this comment. This comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. Dealer cooperatives are a separate recycling entity, and thus making dealer cooperative operation provisions the same as recycling center provisions is contrary to SB 1013, which establishes dealer cooperatives as a distinct entity from recycling centers.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 3 -67	Unclassified		Website	Leonard Lang		All amendments striking Division and replacing it with Department should be eliminated. It's my belief that these proposed regulations were written by the Division of Circular Economy because they lack understanding of the program as they lack authority to perform the job.	CalRecycle rejects this comment. Replacing references to the "Division of Recycling" with the "Department of Resources Recycling and Recovery" is necessary because Sen. Bill No. 353 (2023-2024 Reg. Sess., Chapter 868 of the Statutes of 2023) amended PRC section 40401(a)(2) to reflect that it is CalRecycle that is vested with the authority to enforce PRC Division 12.1 rather than the Division of Recycling.
I- 3 -68	Rulemaking Process		Website	Leonard Lang		I also seriously doubt that those involved with the creation or supervision of these proposed regulations have successfully attended rulemaking classes taught by the Office Of Administration to help ensure their qualifications and understanding what constitutes a violation of the Administrative Procedures Act.	CalRecycle rejects this comment. This comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process.
I- 4 -1	Comment Letter		Website	Alina Bekkerman		<p>April 30, 2024 Attention: The Department of Resources Recycling and Recovery (CalRecycle) Hello CalRecycles Regulations Unit, The San Francisco Environment Department would like to put forward the following public comments to CalRecycle regarding the draft regulations for SB 1013, and the Public Resources Code Sections related to Dealer Registration and Dealer Cooperatives Permanent Regulations, as proposed by CalRecycle's Division of Circular Economy, on March 15th, 2024.</p> <p>As one of the cities approved by CalRecycle for the Beverage Container Redemption Pilot Project Grant Program, we have extensive experience in the development, design, and implementation of a successful Deposit Return System – the San Francisco BottleBank – which has now generated over \$360k in CRV redeemed for over 7k program participants since launching in January 2022. The pilot project's success can be attributed to the grant funding from CalRecycle, and the investment from the recycling operator –Our Planet Recycling (OPR), a certified recycling center. However, moving forward, without a significant investment from dealers participating in a dealer cooperative, the program will be unable to successfully operate and meet the CalRecycle goal of 80% redemption of all CRV-eligible containers. The future success of redemption in San Francisco depends on clear guidelines for dealers. Today the existing mobile pilot program is staffed by both OPR and the San Francisco Conservation Corps – a workforce development organization, and further supported by the San Francisco Environment Department through leadership in outreach and communication. Without clear guidelines and an enforcement mechanism clearly defined by CalRecycle, the program will be in jeopardy. Below are the comments and concerns we hope CalRecycle can address in further revisions of the regulations:</p> <ul style="list-style-type: none"> • CalRecycle has not provided an updated timeline for dealer registration or operable start date for Dealer Cooperatives, despite the delay in finalizing the regulations. As a result, Dealer participation is in limbo with no clear guidelines. It's recommended that CalRecycle provide explicit updates on the new timeline. • Recommend removing the last sentence from Section 2370 (i) noted below. The statement below would allow redemption sites to go undocumented, creating concerns for compliance with redemption site reporting requirements. "A redemption location or redemption site is not required to obtain a certification or registration number from the department in order to operate as part of a stewardship program." • Ensure timelines for dealer registration are clearly documented and communicated and establish an enforcement mechanism for compliance with registration. Section 2371 does not identify timelines for registration for dealers given the delay in dealer cooperative regulations. If dealers are expected to comply with registration by March 1, 2025, the regulations should state this explicitly. • There are no enforcement mechanisms established in Article 5, Section 2385 for dealer registration. • Regulations in Section 2374 or other pertinent areas related to redemption should include redemption reporting requirements for Dealers not participating in a Dealer Cooperative, to be comparable to the reporting requirements established for recycling centers and dealer cooperatives, establishing a clear responsibility between the dealer collecting materials, and accounting of those materials, as part of Section 14578(a)(1), with the following criteria: 	

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
						<p>Record keeping, reporting, delivery of segregated material to a recycling center or Processor, and ensure that material is not commingled or processed with other commingled program material; and ensure that the store receiving the material delivers the material to the nearest recycling center or Processor.</p> <ul style="list-style-type: none"> • • All redemption locations should accept 80% of materials sold. Page. 13 item (E) allows for materials to be excluded. • <p>Page. 14 item (B) creates unneeded burden on consumers regarding limits for RVMS.</p> <p>Thank you for your consideration of these comments.</p> <p>Sincerely, San Francisco Environment Department Alina Bekkerman</p>	
I- 4 -2	Unclassified		Website	Alina Bekkerman		<p>As one of the cities approved by CalRecycle for the Beverage Container Redemption Pilot Project Grant Program, we have extensive experience in the development, design, and implementation of a successful Deposit Return System – the San Francisco BottleBank – which has now generated over \$360k in CRV redeemed for over 7k program participants since launching in January 2022. The pilot project's success can be attributed to the grant funding from CalRecycle, and the investment from the recycling operator –Our Planet Recycling (OPR), a certified recycling center. However, moving forward, without a significant investment from dealers participating in a dealer cooperative, the program will be unable to successfully operate and meet the CalRecycle goal of 80% redemption of all CRV-eligible containers.</p> <p>The future success of redemption in San Francisco depends on clear guidelines for dealers. Today the existing mobile pilot program is staffed by both OPR and the San Francisco Conservation Corps – a workforce development organization, and further supported by the San Francisco Environment Department through leadership in outreach and communication.</p> <p>Without clear guidelines and an enforcement mechanism clearly defined by CalRecycle, the program will be in jeopardy.</p>	CalRecycle rejects this comment. This comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process.
I- 4 -3	Rulemaking Process		Website	Alina Bekkerman		<p>CalRecycle has not provided an updated timeline for dealer registration or operable start date for Dealer Cooperatives, despite the delay in finalizing the regulations. As a result, Dealer participation is in limbo with no clear guidelines. It's recommended that CalRecycle provide explicit updates on the new timeline.</p>	CalRecycle rejects this comment. The proposed regulations provide clear timelines for a dealer to register. Enforcement of dealers is thoroughly addressed in section 2386 of the proposed regulations. The proposed regulation section 2371(a)(1) requires a dealer to register within 30 days of the effective date of these regulations instead of the fixed date of March 1, 2025. This ensures that the registration requirements proposed in these regulations are in place considering that the effective date of the regulations is currently unknown. Section 2371(a)(1) captures unregistered dealers in unserved convenience zones during the initial implementation of these proposed regulations. Section 2371(a)(2) establishes the ongoing timelines for the registration of dealers as new dealers open for business within convenience zone or if the area they are located becomes a convenience zone.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 4 -4	[Subchapter 4.5 Art. 1] Definitions	2370. Definitions	Website	Alina Bekkerman		Recommend removing the last sentence from Section 2370 (i) noted below. The statement below would allow redemption sites to go undocumented, creating concerns for compliance with redemption site reporting requirements. "A redemption location or redemption site is not required to obtain a certification or registration number from the department in order to operate as part of a stewardship program."	CalRecycle rejects this comment. To the extent that redemption locations are not required to obtain department certification or a registration number, this definition supports the requirement that the redemption location is operating under the registration number of the dealer cooperative as part of the dealer cooperative's stewardship plan. A dealer cooperative is issued a registration number by CalRecycle when its stewardship plan is approved, and it is this dealer cooperative registration number that the redemption site or redemption location operates under rather than being issued its own registration or certification number.
I- 4 -5	[Subchapter 4.5 Art. 2] Dealers	2371. Dealer Registration	Website	Alina Bekkerman		Ensure timelines for dealer registration are clearly documented and communicated and establish an enforcement mechanism for compliance with registration. Section 2371 does not identify timelines for registration for dealers given the delay in dealer cooperative regulations. If dealers are expected to comply with registration by March 1, 2025, the regulations should state this explicitly.	CalRecycle rejects this comment. The proposed regulations provide clear timelines for a dealer to register. Enforcement of dealers is thoroughly addressed in section 2386 of the proposed regulations. The proposed regulation section 2371(a)(1) requires a dealer to register within 30 days of the effective date of these regulations instead of the fixed date of March 1, 2025. This ensures that the registration requirements proposed in these regulations are in place considering that the effective date of the regulations is currently unknown. Section 2371(a)(1) captures unregistered dealers in unserved convenience zones during the initial implementation of these proposed regulations. Section 2371(a)(2) establishes the ongoing timelines for the registration of dealers as new dealers open for business within convenience zone or if the area they are located becomes a convenience zone.
I- 4 -6	[Subchapter 4.5 Art. 5] Enforcement	2385. Stewardship Plan Revocation; Enforcement Mechanisms	Website	Alina Bekkerman		There are no enforcement mechanisms established in Article 5, Section 2385 for dealer registration.	CalRecycle rejects this comment. Enforcement of noncompliant dealers, including the registration of dealers, is thoroughly addressed in section 2386 of the proposed regulations.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 4 -7	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation		Website	Alina Bekkerman		Regulations in Section 2374 or other pertinent areas related to redemption should include redemption reporting requirements for Dealers not participating in a Dealer Cooperative, to be comparable to the reporting requirements established for recycling centers and dealer cooperatives, establishing a clear responsibility between the dealer collecting materials, and accounting of those materials, as part of Section 14578(a)(1), with the following criteria: Record keeping, reporting, delivery of segregated material to a recycling center or Processor, and ensure that material is not commingled or processed with other commingled program material; and ensure that the store receiving the material delivers the material to the nearest recycling center or Processor.	CalRecycle rejects this comment. PRC section 14578 gives dealers the option of either redeeming in store or joining a dealer cooperative. Section 14578(a)(1) describes the requirements for dealers who choose to redeem in store. Dealers who redeem in store are ineligible for program payments and therefore do not have the same requirements as dealer cooperatives. The requirements for dealer cooperatives under PRC section 14578.5 include reporting and other requirements. Imposing the same requirements for dealers who redeem in store as those applicable to dealer cooperatives would be inconsistent with the statutes being implemented by these regulations.
I- 4 -8	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Alina Bekkerman		All redemption locations should accept 80% of materials sold. Page. 13 item (E) allows for materials to be excluded.	CalRecycle accepts this comment in part. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to the amount of redemption required of a redemption location. The following changes have been made to the regulation text (which is now in section 2375.4(f)(4)): the addition of a provision requiring at least one location in each convenience zone having no material type redemption limits operating a minimum of 10 hours per week. CalRecycle rejects this comment in part to the extent that it proposes requiring each redemption location to accept 80% of materials sold by dealer members. This could potentially require over-redundancy of capacity at multiple redemption locations instead of allowing a dealer cooperative to balance redemption availability according to anticipated volume at a particular redemption location.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 4 -9	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Alina Bekkerman		Page. 14 item (B) creates unneeded burden on consumers regarding limits for RVMs. Thank you for your consideration of these comments.	CalRecycle rejects this comment. To the extent that redemption limits create an unnecessary burden for consumers, the provision is necessary to provide flexibility of standards for dealer cooperatives to comply with their legal obligations. PRC section 14578.5(c)(3)(A) requires that dealer cooperatives redeem all material types and offer one or more redemption locations within the dealer cooperative zone and CalRecycle will retain this redemption limit provision (section 2375.4(f)(4)) with the addition of requiring a minimum of one location within a convenience zone with no material type redemption limits for 10 hours per week (section 2375.4(f)(6)) to effectuate this statutory provision. Redemption limits are necessary to allow flexibility for redemption sites to use methods of redemption that have physical storage limits, while also maintaining the objective of comparable consumer convenience. Regarding innovative methods of redemption specifically, the provisions have been changed to delete the requirement that dealer cooperatives must utilize one innovative method of redemption; however, CalRecycle still anticipates dealer cooperatives to use this technology, so redemption limits are necessary to include as an option for dealer cooperatives and will likely be set based on technological capabilities.
I- 5 -1	Unclassified		Website			CalRecycle is advised to implement a policy that restricts the opening of new recycling centers, including reverse vending machines (RVMs), bag drop stations, or cooperative ventures, within a one-mile perimeter of current recycling operations. The intent of this regulation is to protect the handling fees that are essential for the ongoing viability of existing recyclers, particularly in light of rising business expenses such as wages and insurance. In the absence of such regulatory safeguards, numerous recycling businesses may be at risk of shutting down due to diminished handling fees.	CalRecycle rejects this comment. The scope of this rulemaking package is dealer registration and dealer cooperatives. With regard to adding location restrictions for new redemption opportunities for consumers and existing certified recycling center, this comment is outside of the scope of this rulemaking package. To the extent that handling fees may be jeopardized for existing recycling centers where new dealer cooperatives may open, this is not accurate because dealer cooperatives can only operate in unserved convenience zones.
I- 6 -1	Unclassified		Website			CalRecycle is advised to implement a policy that restricts the opening of new recycling centers, including reverse vending machines (RVMs), bag drop stations, or cooperative ventures, within a one-mile perimeter of current recycling operations. The intent of this regulation is to protect the handling fees that are essential for the ongoing viability of existing recyclers, particularly in light of rising business expenses such as wages and insurance. In the absence of such regulatory safeguards, numerous recycling businesses may be at risk of shutting down due to diminished handling fees.	CalRecycle rejects this comment. The scope of this rulemaking package is dealer registration and dealer cooperatives. With regard to adding location restrictions for new redemption opportunities for consumers and existing certified recycling center, this comment is outside of the scope of this rulemaking package. To the extent that handling fees may be jeopardized for existing recycling centers where new dealer cooperatives may open, this is not accurate because dealer cooperatives can only operate in unserved convenience zones.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 7 -1	Unclassified		Oral	Leonard Lang		Thank you. I'd like to thank the Department for this opportunity and appreciate the opportunity to make these comments. First of all, I'd like to say that many of the draft regulations – the proposed regulations pertaining to the dealer co-ops are going beyond what's currently required by recycling centers. So in my comments, which will be submitted later today, I go over that.	CalRecycle neither rejects or accepts this comment because this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. We thank you for your participation in the 45-day public comment period.
I- 7 -2	Unclassified		Oral	Leonard Lang		You exceed your authority in a number of cases, where all you needed to do is, as far as operation standards, copy or refer to the section 2500 or Recycler Operation Standards. We're talking about receiving material from consumers. The same with record keeping, the same with some of the other ones. So you've gone beyond what the law called for and you're making it a lot more confusing and burdensome for the dealer co-ops. I would recommend that all that be dropped and changed, but you'll see that in my comments.	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. Regulatory provisions specific to dealer cooperatives that are not the same as certified recycling centers are designed to aid the statutory objective of creating a flexible network of dealer cooperatives for greater consumer convenience in an unserved zone. An unserved zone with a dealer cooperative may have many redemption sites located throughout aimed to assist in the statutory state recycling goal of 80%. These provisions are reasonable and necessary because in order to offer broad redemption opportunities by a dealer cooperative that has been designed around the community needs, CalRecycle has drafted regulations unique to dealer cooperatives in order to achieve the goals and objectives identified in SB 1013. It does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.
I- 7 -3	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2380. Recordkeeping	Oral	Leonard Lang		I did appreciate the opportunity to make comment, so that those participating in the rulemaking process will see where I comment on the current interpretations of some of those standards within the recycler regulations that I think have been exceeded. For example, within dealer co-ops, you're requiring them to supply the records. The original statute says that you may inspect records and the Department has chosen to ignore that and basically confiscates records without a chain of command process. So these are a few of the things that I've noticed within the proposal	CalRecycle rejects this comment. The immediate access to or transfer of original records is necessary to facilitate auditing and to prevent fraud. PRC section 14578.5(f) requires that CalRecycle shall audit each dealer cooperative at least once every 24 months to ensure that proper program payments are made to consumers and dealer cooperative fees are being utilized for the operation of the approved redemption model, and this auditing requirement necessitates the transfer of original records. Making dealer cooperative records provisions identical to recycling center records provisions is not necessary and is contrary to the intent of SB 1013, which establishes distinct requirements for dealer cooperatives as a new recycling entity.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 7 -4	Unclassified		Oral	Leonard Lang		Secondly, you go in and you change the definition or you change the reference from "the Division" to "the Department". The Division is responsible for this program. To have people outside of the Division working on this program, like I think has happened with these proposed regulations, doesn't follow the statutory authority for the Department, so I would recommend that change those and reverse those.	CalRecycle rejects this comment. Replacing references to the "Division of Recycling" with the "Department of Resources Recycling and Recovery" is necessary because Sen. Bill No. 353 (2023-2024 Reg. Sess., Chapter 868 of the Statutes of 2023) amended PRC section 40401(a)(2) to reflect that it is CalRecycle that is vested with the authority to enforce PRC Division 12.1 rather than the Division of Recycling.
I- 7 -5	[Subchapter 4.5 Art. 2] Dealers	2371. Dealer Registration	Oral	Leonard Lang		First, I would agree with Ms. Bekkerman that the process for dealer registration is burdensome and confusing...	CalRecycle rejects this comment. This comment does not offer a specific regulatory change for CalRecycle to address.
I- 7 -6	[Subchapter 4.5 Art. 5] Enforcement	2386. Penalties and Interest Charges	Oral	Leonard Lang		...but she also brought up enforcement. In the comments I'll be submitting, I've noted that should there be a hearing required for enforcement, that it be changed from what's being proposed, the informal hearing process Government Code 1145 -- 445.10 through 20 or 60 and go to the formal hearing process. If these dealer co-ops are going to be Investing a lot of time and money, they need the protections that come from the separation of powers in the formal hearing and the rights of discovery, which are not provided for in the informal hearing. So those are two things that are very bad for recyclers over the years. So I recommend that the deal co-ops insist on formal hearings should there be. Thank you.	CalRecycle rejects this comment. In the event of a hearing, an informal hearing is necessary to share the responsibility of providing convenient, efficient, and economical redemption opportunities between dealers and CalRecycle, among others, by expediting enforcement. PRC section 14578.5(b) requires that CalRecycle adopt regulations "necessary for the implementation and enforcement of this subdivision" but does not specify the governing procedure to be used in those regulations. Because the governing procedure is not specified in the Act or regulations, Gov. Code section 11415.10 authorizes CalRecycle to conduct enforcement actions taken under proposed section 2385 of the regulations as informal hearings under the Administrative Procedure Act set forth in Article 10 of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Gov. Code. Establishing these hearings under the informal hearing provisions of the Administrative Procedure Act rather than the formal hearing provisions is necessary to effectuate this statutory provision because it allows efficient resolution of enforcement actions informally within CalRecycle, rather than requiring all enforcement actions to be heard before the Office of Administrative Hearings as formal hearings. Timely hearings and solutions are necessary for successful stewardship plans and public convenience to redeem beverage containers.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 8 -1	[Subchapter 4.5 Art. 2] Dealers	2371. Dealer Registration	Oral	Alina Bekkerman		Hi there. Thank you very much. My name is Alina Bekkerman calling with the San Francisco Environment Department and the CRV Coordinator. I'd be curious to address the timeline issue. Article 2, Dealers, Section 2371, Dealer Registration calls out that dealers will have to register within 30 days of the effective date of this section. And the effective date of this section, to my understanding, is January 1, 2025. Has that changed as a result of the continued pushing out of the timeline as well as the adoption of the regulations? ... Yeah, it's, at this point, unclear in terms of the timeline for dealers to register nor is it stated what the timeline will be. So it's a concern, given that we are in the end of April today and the adoption of the regulations may take longer, that there's no clear indication around when the effective date will be. Thank you.	CalRecycle rejects this comment. The proposed regulations provide clear timelines for a dealer to register. Enforcement of dealers is thoroughly addressed in section 2386 of the proposed regulations. The proposed regulation section 2371(a)(1) requires a dealer to register within 30 days of the effective date of these regulations instead of the fixed date of March 1, 2025. This ensures that the registration requirements proposed in these regulations are in place considering that the effective date of the regulations is currently unknown. Section 2371(a)(1) captures unregistered dealers in unserved convenience zones during the initial implementation of these proposed regulations. Section 2371(a)(2) establishes the ongoing timelines for the registration of dealers as new dealers open for business within convenience zone or if the area they are located becomes a convenience zone.
I- 8 -2	[Subchapter 4.5 Art. 2] Dealers	2371. Dealer Registration	Oral	Alina Bekkerman		Thank you. With regard to dealer registration, there is no communication currently in the regulations around how dealers will be enforced to register and the requirements around registration. Whether dealer is a registered dealer or not a registered dealer within an area seems to be omitted from the regulations, and further, any penalties that will be levied are specific to stewardship plans and compliance with stewardship plans.	CalRecycle rejects this comment. Section 2371(a) establishes that dealers in convenience zones are required to register and when they are required to register. Enforcement of dealers is thoroughly addressed in section 2386 of the proposed regulations. Additionally, section 2371(a) establishes timelines for dealers in convenience zones to register with CalRecycle.
I- 8 -3	[Subchapter 4.5 Art. 2] Dealers	2371. Dealer Registration	Oral	Alina Bekkerman		It does not look like there is formation about dealer registration and what happens if a dealer does not register, in terms of how CalRecycle will inform dealers about their lack of registration. I'd really like clarification on that further rulemaking. ... Thanks for the opportunity to reframe. Yeah, I think simply it is that there's missing context around dealer registration	CalRecycle rejects this comment. Section 2371(a) establishes that dealers in convenience zones are required to register and when they are required to register. Enforcement of dealers is thoroughly addressed in section 2386 of the proposed regulations. Sections 2386(a) and (b) provide the method of communication to the dealer. Additionally, section 2371(a) establishes timelines for dealers in convenience zones to register with CalRecycle.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
I- 8 -4	[Subchapter 4.5 Art. 3] Stewardship Plan	2377. Stewardship Plan Updates	Oral	Alina Bekkerman		Going to section 2382, dealer cooperative operation, H, "A dealer cooperative may terminate the membership of a dealer member." It does not seem to correlate to any other update that's required by a dealer cooperative in section 2377 of the membership plan updates. So if a dealer cooperative terminates a member, it does not look like there's anything that that member is required to do, and that the dealer stewardship plan -- dealer cooperative stewardship plan provisions in section 2377 require any updates, if a dealer member is terminated. So it leaves dealer members out of the deal cooperative, if they're terminated, without any additional requirements for them and without any additional notice that CalRecycle will receive. So it seems like an opportunity for dealers who are excluded to go under the radar.	CalRecycle rejects this comment. With regard to stewardship plan updates, this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. To the extent that dealer cooperatives must notify CalRecycle electronically in writing 30 days before making any changes to the list of dealer members, pursuant to section 2378(a)(1), CalRecycle will be aware of any and all dealer members who are terminated from their previous dealer cooperatives. Dealer members who have been terminated from a dealer cooperative must fulfil their statutory obligation pursuant to PRC section 14578 to either redeem empty beverage containers in store or join/form a dealer cooperative.
I- 8 -5	[Subchapter 4.5 Art. 1] Definitions	2370. Definitions	Oral	Alina Bekkerman		Hi. This is Alina Bekkerman. Looking at the first section of definitions, Item I, "A redemption location..." -- or, "...redemption location or redemption site is not required to obtain a certification nor registration number from the department." A comment and a concern here that redemption sites that are not tracked and not part of the registration for a stewardship program will go in unreported, and overall reporting for the stewardship program might lack sufficient documentation.	CalRecycle rejects this comment. To the extent that redemption locations are not required to obtain department certification or a registration number, this definition supports the requirement that the redemption location is operating under the registration number of the dealer cooperative as part of the dealer cooperative's stewardship plan. A dealer cooperative is issued a registration number by CalRecycle when its stewardship plan is approved, and it is this dealer cooperative registration number that the redemption site or redemption location operates under rather than being issued its own registration or certification number.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 1 -1	Unclassified		Website	nadia ameri	NADIA AMERI	<p>My name is Nadia Ameri of Recycling Innovations. I would like to draw your attention to a proposed new recycling center that is planning to open 10 feet from our Recycling Innovations site at 8464 Reseda Blvd. Our site has been open for 10 years serving the community. In the Northridge and Van Nuys area, there are close to 70 recycling centers in a 90 square mile area. There are sufficient recycling centers for everyone to recycle. Los Angeles County and our area has a redemption rate of over 80%.</p> <p>If this new site opens, ?all the other recycling centers could be hurt financially making all other sites less profitable. Recycling Innovations will lose our Handling Fee Payments, increasing our costs, and possibly causing our site or other sites to close.</p> <p>We have worked tirelessly during this decade to perfect our recycling operation and do not deserve to be put at imminent risk of closure. The proposed new site will not increase convenience to consumers. It will harm the existing recycling centers, thus causing harm to the program</p> <p>Section 14501(f) of the Bottle Bill states, The purpose of this Division is to create and maintain a marketplace where it is profitable to establish sufficient recycling centers and locations to provide consumers with convenient recycling opportunities....</p> <p>For the Department to approve and certify additional recycling centers, especially 10 feet away from an existing recycling center that has been operating for 10 years, does not help the program, it hurts the program, and makes other recyclers in the area less profitable.</p> <p>The department has the duty, authority, and responsibility to deny applications for new recycling centers in areas that already have sufficient recycling opportunities for consumers. I ask for your consideration, support, and compliance with the intent of the bill.</p>	<p>CalRecycle rejects this comment. With regard to CalRecycle approving and certifying new recycling centers that are within close proximity to existing recycling centers, this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. To the extent that you request the denial of the certification application of a particular new recycling center, this request is outside the scope of this rulemaking, which is limited to dealer registration and dealer cooperatives.</p>
C- 2 -1	Comment Letter		Website	Sarah Nichols	Clynk	<p>Thank you for the opportunity to provide comments regarding the proposed adoption of California Code of Regulations, Title 14, Division 2, Chapter 5, Subchapter 4.5, Articles 1 through 5, commencing with Section 2370, and amendment of Title 14, Division 2, Chapter 5, Subchapters 1, 2, 5, and 6, commencing with Section 2000, in response to Senate Bill (SB) 1013. The California Beverage Container Recycling and Litter Reduction Act is intended to encourage increased, convenient beverage container redemption opportunities for all consumers in every region of the State, and we believe that enabling the formation of, and support for, dealer cooperatives will help to achieve this purpose while adding value to the retail experience.</p> <p>CLYNK is a circularity solutions provider with active and successful bag-drop redemption operations in multiple States since 2005. With CLYNK's bag-drop program, our attractive and sustainable redemption locations are kept outside of the retail store and available to customers 24/7. CLYNK customers can place all containers in the same bag and quickly dropped off in our secure stations; and then receive and accumulate their deposit funds electronically, or through a voucher presented to a participating retailer who can cash them out inside the store. Many customers also opt to use our popular CLYNK to Give program, which allows them to donate to their favorite charity with the click of a button.</p> <p>Our mission is to help streamline the requirements for retailers and others involved in deposit-return recycling systems, by making it easy for everyone to do the right thing while delivering high-quality service, valuable and reliable data, and a pleasant experience for all. It's with this experience and desire to bring simple, convenient redemption opportunities to California retailers and consumers that we provide these comments.</p> <p>In general, we believe the proposed regulations could provide more clarity, flexibility, and incentives for dealers to participate in a dealer cooperative. Beginning January 2025, all non-exempt dealers need to either choose Option (A) Offer redemption services on-site; or Option (B) Join a dealer cooperative. Our main concern is that Option (A) doesn't require a high enough convenience standard or active dealer participation to move the needle on redemption rates, and that Option (B) has overly burdensome and restrictive requirements that may dissuade dealers from participating in the dealer cooperative program. Ideally, all dealers would have an incentive to join a dealer cooperative so they could pool resources and coordinate to help increase redemption rates and reduce overall costs of the program in the State.</p> <p>As a broad recommendation, we believe that all dealers should have to do the same level of work and meet the same standards required of the dealer cooperatives if they choose to provide redemption on their own, or else join a cooperative and do together as a group. As it's currently written, we believe it's more attractive for dealers to provide their own insufficient redemption option rather than join a dealer cooperative that is subject to more rigorous standards.</p> <p>Specific comments and recommendations are as follows:</p> <p>Section 2370: Definitions: "Innovative methods of Redemption" are listed with 1) Mobile collection programs where consumers have their recyclables picked up by an attendant, and then 2) Bag-drop and Reverse Vending Machine (RVM) are lumped together as two methods of redemption that do not involve and attendant. We recommend that bag-drop and RVM should be given their own distinction since they have unique convenience standards and technological capabilities. For instance, bag-drop redemption allows for consumers to drop off all containers mixed together in one bag in seconds. RVM's don't offer the same level of convenience because they require the consumer to open their bags and feed the machines, and not all of them can receive all covered beverages in the program.</p> <p>Section 2373: Dealer Redemption Requirements. We do not believe that it's fair or practical to require all dealers in an unserved convenience zone provide in-store redemption if they are part of a dealer cooperative who has submitted a plan that is not yet approved or operational. That plan may not require each location to have redemption options, which is an advantage of the new dealer cooperative system. We recommend that there be a grace period or delay in implementation for dealers in this situation.</p> <p>Section 2375: Stewardship Plan Submission: A dealer cooperative with an approved plan should be legally liable for violating the regulations, but we believe it's</p>	

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
						<p>problematic to include individual dealer members in that same liability. One of the reasons for dealers to join a cooperative is to be relieved of individual obligations so long as they are a part of the solution, and we are concerned that the additional liability will be unattractive for them to participate. We recommend that individual dealer members only be liable for the information and participation agreed to by their individual agreements with the cooperative, and the not the cooperative in its entirety.</p> <p>Section 2375.1: Stewardship Plan Contents: In general, we believe that the requirements are overly prescriptive and do not provide enough flexibility for the dealer cooperative to determine the best methods for reaching their goals, while also mandating over-capacity which could unnecessarily add costs that aren't necessary to achieve the objectives. Specifically: Requiring at least one innovative method of redemption per zone may not be practical in all zones. Innovative redemption methods have their inherent merits and will be the obvious choice in places where they make sense and shouldn't need to be mandated. However, that said, we also find this requirement problematic since Option (A) dealers who redeem on their own are not required to provide an innovative redemption method. Rather, we recommend that the redemption method used is outcome focused, and provides flexible and adequate redemption modalities that achieve the goals in each zone. Requiring dealers to provide the capacity to redeem 100 percent of the containers sold by dealer members in the convenience zone where they operate is over prescriptive. We recommend reducing this number to 80%, or instead rewrite it in a way that focuses on the outcome and achieving the goals and then allow the dealer cooperative the flexibility to determine how best to reach those goals. We also note that the same requirement is not made for Option A dealers, who do not have to meet the same capacity requirements.</p> <p>Section 2382: Dealer Cooperative Operation: We are concerned about the allowance for more than one dealer cooperative to operate in a single unserved convenience zone. It may serve to confuse consumers, duplicate efforts, and force dealer cooperatives to compete for limited material and could lead to stranded assets. We recommend providing incentives for dealer cooperatives to work together instead of in competition.</p> <p>Section 2516 Eligibility Criteria: We believe that all dealer cooperatives should be eligible to receive handling fees for the containers handled through their cooperative, especially if the work being done is effectively turning an unserved area into a served area. The zone in which they are in should not impact the financial incentive to operate there.</p> <p>Section 2401 Load Inspection Requirements for Processors: This section requires that each processor taking delivery of the redeemable material do a visual inspection of the load. We request that it specifies that "visual inspection" be explicitly broadened accommodate advancements in technology and bulk visual imaging done by artificial intelligence so that processing can be done more effectively and efficiently, and better detect and document any fraudulent containers or contamination.</p> <p>Section 2501 Load Inspection Requirements for Recycling Centers: We suggest eliminating the proposed paragraph (a)(3) because it could prevent a bag-drop redemption method from offering an immediate payment option to consumers and settling up the account upon processing as is being done in other states. Recycling centers that offer this method, not CalRecycle, would be liable for any CRV value distributed to consumers in error.</p> <p>Section 2535 Payments to Consumers, Curbside Programs, Community Service Programs and Dropoff or Collection Programs: We request that the regulations specify that in the case of bag-drop recycling at redemption centers, which is considerably different "innovative" method from reverse vending machines, are able to be reimbursed the deposit based on the number of containers multiplied by the CRV if the program is paying consumers based on the number of containers.</p> <p>Thank you for your consideration of our comments. We look forward to working in partnership with dealers and others to provide more convenient ways for California consumers to redeem their beverage containers throughout the State. Please feel free to contact me with any questions.</p> <p>Sincerely, Sarah Nichols Director of Government Affairs, CLYNK snichols@clynk.com 207-751-9539</p>	
C- 2 -2	[Subchapter 4.5 Art. 2] Dealers		Website	Sarah Nichols	Clynk	<p>As a broad recommendation, we believe that all dealers should have to do the same level of work and meet the same standards required of the dealer cooperatives if they choose to provide redemption on their own, or else join a cooperative and do together as a group. As it's currently written, we believe it's more attractive for dealers to provide their own insufficient redemption option rather than join a dealer cooperative that is subject to more rigorous standards.</p>	<p>CalRecycle rejects this comment. PRC section 14578 gives dealers the option of either redeeming in store or joining a dealer cooperative. PRC section 14578(a)(1) describes the requirements for dealers who choose to redeem in store. Dealers who redeem in store are ineligible for program payments and therefore do not have the same standards set for dealer cooperatives. The requirements for dealer cooperatives under PRC section 14578.5 include reporting requirements. Imposing the same standards for dealers who redeem in store with dealer cooperatives would be inconsistent with the statutes being implemented by these regulations.</p>

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 2 -3	[Subchapter 4.5 Art. 1] Definitions	2370. Definitions	Website	Sarah Nichols	Clynk	Section 2370: Definitions: "Innovative methods of Redemption" are listed with 1) Mobile collection programs where consumers have their recyclables picked up by an attendant, and then 2) Bag-drop and Reverse Vending Machine (RVM) are lumped together as two methods of redemption that do not involve and attendant. We recommend that bag-drop and RVM should be given their own distinction since they have unique convenience standards and technological capabilities. For instance, bag-drop redemption allows for consumers to drop off all containers mixed together in one bag in seconds. RVM's don't offer the same level of convenience because they require the consumer to open their bags and feed the machines, and not all of them can receive all covered beverages in the program.	CalRecycle accepts the commenter's suggestion to clarify the definition of "innovative method of redemption" and has separated the definition into discrete paragraphs. This change does not affect the scope of the regulatory text.
C- 2 -4	[Subchapter 4.5 Art. 2] Dealers	2373. Dealer Redemption Requirements	Website	Sarah Nichols	Clynk	Section 2373: Dealer Redemption Requirements. We do not believe that it's fair or practical to require all dealers in an unserved convenience zone provide in-store redemption if they are part of a dealer cooperative who has submitted a plan that is not yet approved or operational. That plan may not require each location to have redemption options, which is an advantage of the new dealer cooperative system. We recommend that there be a grace period or delay in implementation for dealers in this situation.	CalRecycle rejects this comment. PRC section 14578 requires a dealer in an unserved convenience zone, unless exempted, to meet either PRC section 14578(a)(1) by redeeming in store, or PRC section 14578(a)(2) by joining a dealer cooperative. In order to satisfy 14578(a)(2)(A), the dealer cooperative must be operational. PRC section 14578(b)(3) requires the stewardship plan to be fully implemented and providing redemption opportunities. Until the requirements of PRC section 14578(a)(2)(A) are satisfied and the dealer cooperative is fully operational, the dealer must redeem in store per PRC section 14578(a)(1).
C- 2 -5	[Subchapter 4.5 Art. 3] Stewardship Plan	2375. Stewardship Plan Submission	Website	Sarah Nichols	Clynk	Section 2375: Stewardship Plan Submission: A dealer cooperative with an approved plan should be legally liable for violating the regulations, but we believe it's problematic to include individual dealer members in that same liability. One of the reasons for dealers to join a cooperative is to be relieved of individual obligations so long as they are a part of the solution, and we are concerned that the additional liability will be unattractive for them to participate. We recommend that individual dealer members only be liable for the information and participation agreed to by their individual agreements with the cooperative, and not the cooperative in its entirety.	CalRecycle rejects this comment in part. Legal liability for dealer members is established under PRC section 14591.2(a). CalRecycle accepts this comment in part to the extent that it recommends removing the legal liability for dealer members in the regulation as unnecessary. CalRecycle deleted proposed paragraph (2) of subdivision (b) of section 2375 in the proposed regulations that were released for the 15-day comment period.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 2 -6	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Sarah Nichols	Clynk	Section 2375.1: Stewardship Plan Contents: In general, we believe that the requirements are overly prescriptive and do not provide enough flexibility for the dealer cooperative to determine the best methods for reaching their goals, while also mandating over-capacity which could unnecessarily add costs that aren't necessary to achieve the objectives.	CalRecycle rejects this comment. With regard to the contention that stewardship plan contents are overly prescriptive, this comment does not suggest any specific changes to the proposed regulations. To the extent that the regulations are overly prescriptive and do not provide flexibility for dealer cooperatives, the dealer cooperative is a voluntary option for dealers that enables them to receive program payments for redeemed beverage containers. Dealers who do not want pursue this option to join a dealer cooperative can choose to redeem beverages in-store. The stewardship plan content requirements are necessary for a dealer cooperative to provide consumer convenience in accordance with PRC section 14578.5(c)(1). Flexibility is accorded to dealer cooperatives when possible, such as establishing their own performance standards in the stewardship plan. However, PRC section 14501(c) establishes an 80% beverage container recycling goal, and a capacity to redeem an amount of containers equal to 100% of those sold by a dealer cooperative's dealer members is necessary to achieve that 80% standard.
C- 2 -7	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Sarah Nichols	Clynk	Requiring at least one innovative method of redemption per zone may not be practical in all zones. Innovative redemption methods have their inherent merits and will be the obvious choice in places where they make sense and shouldn't need to be mandated. However, that said, we also find this requirement problematic since Option (A) dealers who redeem on their own are not required to provide an innovative redemption method. Rather, we recommend that the redemption method used is outcome focused, and provides flexible and adequate redemption modalities that achieve the goals in each zone.	CalRecycle accepts this comment. CalRecycle deleted 2375.1(b)(6) of the initial proposed regulations from the regulation text released for the first 15-day comment period.
C- 2 -8	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Sarah Nichols	Clynk	Requiring dealers to provide the capacity to redeem 100 percent of the containers sold by dealer members in the convenience zone where they operate is over prescriptive. We recommend reducing this number to 80%, or instead rewrite it in a way that focuses on the outcome and achieving the goals and then allow the dealer cooperative the flexibility to determine how best to reach those goals. We also note that the same requirement is not made for Option A dealers, who do not have to meet the same capacity requirements.	CalRecycle rejects this comment. Dealers redeeming individually under PRC section 14578(a)(1) do not have the benefit of a limit to the number of containers they must accept. The 100% threshold is necessary to ensure that the redemption infrastructure is adequately scaled to meet consumer demand and further reducing this number from 100% to 80% of the containers sold by the dealer members would diminish the ability of consumers to redeem beverage containers. To meet the statutory goal established in PRC section 14501(c), dealer cooperatives are required to have an 80% redemption rate which accounts for the reality of beverage redemption efficiency and establishes comparable consumer convenience.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 2 -9	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2382. Dealer Cooperative Operation	Website	Sarah Nichols	Clynk	Section 2382: Dealer Cooperative Operation: We are concerned about the allowance for more than one dealer cooperative to operate in a single unserved convenience zone. It may serve to confuse consumers, duplicate efforts, and force dealer cooperatives to compete for limited material and could lead to stranded assets. We recommend providing incentives for dealer cooperatives to work together instead of in competition	CalRecycle rejects this comment. The provision allowing multiple dealer cooperatives to operate in the same unserved convenience zone is designed to aid the statutory objective of increasing consumer convenience and providing flexibility of standards for dealer members to comply with their legal obligations. The provision is reasonable because the nature of dealer cooperatives is a voluntary option for dealers under PRC section 14510.2. Their legal obligation under PRC section 14578(a) is to redeem in-store or to join a dealer cooperative. If the dealer cooperative formed by other members in the unserved zones is for any reason undesirable for a dealer member to join, then that dealer member can form their own dealer cooperative. Restricting the number of dealer cooperatives in a single unserved convenience zone thereby removes their voluntary choice to either redeem or join a dealer cooperative.
C- 2 -10	[Subchapter 6 Art. 2] Handling Fees	2516. Eligibility Criteria	Website	Sarah Nichols	Clynk	Section 2516 Eligibility Criteria: We believe that all dealer cooperatives should be eligible to receive handling fees for the containers handled through their cooperative, especially if the work being done is effectively turning an unserved area into a served area. The zone in which they are in should not impact the financial incentive to operate there.	CalRecycle rejects this comment. CalRecycle does not have the statutory authority to allow dealer cooperatives to receive handling fee payments for beverage containers redeemed in served convenience zones. The operation of dealer cooperatives is limited to unserved convenience zones under PRC sections 14578 and 14578.5, with PRC section 14578.5(d)(1) stating that a dealer cooperative is only eligible for handling fees if no recycling center operates in the same convenience zone. Therefore, CalRecycle does not have the authority to make handling fee payments to dealer cooperatives in served zones.
C- 2 -11	[Subchapter 5 Art. 1] Requirements for Processors	2401. Load Inspection Requirements	Website	Sarah Nichols	Clynk	Section 2401 Load Inspection Requirements for Processors: This section requires that each processor taking delivery of the redeemable material do a visual inspection of the load. We request that it specifies that "visual inspection" be explicitly broadened accommodate advancements in technology and bulk visual imaging done by artificial intelligence so that processing can be done more effectively and efficiently, and better detect and document any fraudulent containers or contamination.	CalRecycle rejects this comment. The scope of this rulemaking is limited to dealer registration and dealer cooperatives. Broadening the definition of visual inspection by a processor to accommodate advanced technology is outside of the scope of dealer registration and dealer cooperatives.
C- 2 -12	[Subchapter 6 Art. 1] Requirements for Recycling Centers	2501. Load Inspection Requirements	Website	Sarah Nichols	Clynk	Section 2501 Load Inspection Requirements for Recycling Centers: We suggest eliminating the proposed paragraph (a)(3) because it could prevent a bag-drop redemption method from offering an immediate payment option to consumers and settling up the account upon processing as is being done in other states. Recycling centers that offer this method, not CalRecycle, would be liable for any CRV value distributed to consumers in error.	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to this provision. Section 2501(a)(3) has been deleted and section 2501 is no longer being amended in this rulemaking package.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 2 -13	[Subchapter 6 Art. 3] Accounting and Reporting Requirements	2535. Payments to Consumers Curbside Programs Community Service Programs and Dropoff or Collection Programs	Website	Sarah Nichols	Clynk	Section 2535 Payments to Consumers, Curbside Programs, Community Service Programs and Dropoff or Collection Programs: We request that the regulations specify that in the case of bag-drop recycling at redemption centers, which is considerably different "innovative" method from reverse vending machines, are able to be reimbursed the deposit based on the number of containers multiplied by the CRV if the program is paying consumers based on the number of containers.	CalRecycle rejects this comment. With regard to the request that CalRecycle reimburse the CRV based on count rather than weight, this comment is outside of the scope of this regulatory package, which relates to dealer registration and dealer cooperatives. CalRecycle continues to engage with the interested public on count vs. weight feedback and suggestions in the larger scope of the BCRP. CalRecycle notes that section 2535 is no longer being amended in this regulation package.
C- 3 -1	Comment Letter		Website	Jeff Donlevy	Jeff Donlevy		
C- 3 -2	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	The proposed regulations will make forming, joining, and operating grocer cooperatives very difficult and costly, while those not joining will be able to continue doing the same practice in a low enforcement environment that has lead to a very low redemption rates.	CalRecycle rejects this comment. With regard to the dealer cooperative stewardship plan contents in section 2375.1 this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. To the extent that the proposed regulations will deter dealers from participating in a dealer cooperative or fulfill their legal obligation to redeem in-store, reducing the requirements of the dealer cooperative stewardship plan in section 2375.1 would be contrary to the goals and objectives of SB 1013. SB 1013 specifically added dealer cooperatives as a new recycling entity to the BCRP to bolster recycling rates, create more opportunities for consumer redemption, and provide access to redemption for all consumers. The incentive for a dealer in an unserved convenience zone to form a dealer cooperative rather than to redeem in store is that a dealer cooperative is eligible for program payments for redeemed containers, whereas a dealer redeeming in store under PRC section 14578(a)(1) is not.
C- 3 -3	Rulemaking Process		Website	Jeff Donlevy	Jeff Donlevy	The changes to the bottle bill, under SB 1013, were signed by the Governor in September of 2022. The department was required to adopt emergency regulations by January 1, 2024. Section 14578.5.(a) required the department to provide one or more model dealer cooperative plans for the dealers to adopt. This delay has caused those wanting or inquiring to form dealer cooperatives at least a one-year delay in implementing new redemption opportunities for consumers. The delay in releasing the proposed regulations should not provide a fast-track approval to get last minute draft regulations approved, without public input and a thorough review. The department conducted only one public hearing on August 31, 2023 and no public hearing for the proposed regulations prior to April 30th, 2024 which is the last day for public comment. With these delays, the proposed regulations should be placed under a higher level of scrutiny so as not to allow an unauthorized, burdensome, vague, or costly provision to be adopted.	CalRecycle rejects this comment. This comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. CalRecycle is currently working on preparing a model plan to assist dealer cooperatives with stewardship plan development. Additionally, CalRecycle held public workshops relating to dealer cooperatives on the following dates: April 25, 2023, August 10, 2023, August 31, 2023, and April 30, 2024. Lastly, CalRecycle complied with all time periods for notice and public comments established by Government Code sections 11346.4, 11346.45, 11346.5, and 11346.8.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -4	Rulemaking Process		Website	Jeff Donlevy	Jeff Donlevy	The proposed regulations attempt to approve and implement semi-quasi legislation, if not excessive, re-write of the legislation through the emergency regulations. The proposed regulations attempt to write legislation and introduce new definitions, standards, and influence new public and social policy to legislation clearly designed as a litter reduction and redemption program.	CalRecycle rejects this comment. This comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process.
C- 3 -5	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	The Department has missed the mark and fails to understand that providing CRV recycling services costs more money than provided by the scrap value and subsidies provided by the state. The Department is placing a higher burden and increased costs on the formation and operation of the grocer coops than required of other stakeholders in the program, including recycling centers, processors, or stores that do not want to join a cooperative and provide in store redemption.	CalRecycle rejects this comment. With regard to the dealer cooperative stewardship plan contents in section 2375.1 this comment does not provide any evidence to support their claims and does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. To the extent that the proposed regulations will deter dealers from participating in a dealer cooperative or fulfill their legal obligation to redeem in-store, reducing the requirements of the dealer cooperative stewardship plan in section 2375.1, or any other requirements proposed in these regulations for dealer cooperatives, would be contrary to the goals and objectives of SB 1013. SB 1013 amended dealer obligations to provide convenient consumer redemption with the option to form or join a dealer cooperative, which replaces the previous option to pay \$100 per day to CalRecycle to not redeem in-store. Dealer cooperatives are a new recycling entity to the BCRP to bolster recycling rates, create more opportunities for consumer redemption, and provide access to redemption for all consumers. The incentive for a dealer in an unserved convenience zone to form a dealer cooperative rather than to redeem in store is that a dealer cooperative is eligible for program payments for redeemed containers, whereas a dealer redeeming in store under PRC section 14578(a)(1) is not.
C- 3 -6	[Subchapter 4.5 Art. 2] Dealers	2373. Dealer Redemption Requirements	Website	Jeff Donlevy	Jeff Donlevy	At the same time an increased cost and burden is placed on members of the coops, dealers that choose not to join the coops, have no additional requirements to assist the state increase the redemption rate, provide more convenient redemption services, and collect material for the circular economy in the state.	CalRecycle rejects this comment. This comment does not offer a specific regulatory change for CalRecycle to address. Enforcement of noncompliant dealers is thoroughly addressed in section 2386 and section 2385 of the proposed regulations.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -7	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	The proposed emergency regulations were written and requested information more in line with a request for proposal (RFP) for a multiyear, multimillion dollar solid waste franchise agreement where the rate payers (public money) would pay the service provider for the service, rather than a simple grocer cooperative (coop) of voluntary independently owned businesses that pool their resources to provide redemption services in the absences of other redemption services in the prescribed bottle bill redemption statute. There is an excessive burden and requirements placed on the coops that are un-necessary and not required by other program participants. The excessive requests for information will create an adversarial and aggressive enforcement relationship between the coop operators and the department, enforcement staff, auditing, and regulatory staff.	CalRecycle rejects this comment. With regard to the dealer cooperative stewardship plan contents in section 2375.1 this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. To the extent that the proposed regulations will deter dealers from participating in a dealer cooperative or fulfill their legal obligation to redeem in-store, reducing the requirements of the dealer cooperative stewardship plan in section 2375.1 would be contrary to the goals and objectives of SB 1013. SB 1013 specifically added dealer cooperatives as a new recycling entity to the BCRP to bolster recycling rates, create more opportunities for consumer redemption, and provide access to redemption for all consumers. The incentive for a dealer in an unserved convenience zone to form a dealer cooperative rather than to redeem in store is that a dealer cooperative is eligible for program payments for redeemed containers, whereas a dealer redeeming in store under PRC section 14578(a)(1) is not.
C- 3 -8	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	The key concern with the Proposed Regulations is that policy makers that approved SB 1013 gave the department the authorization to define two key terms not previously defined in statute to improve the newly expand program of SB 1013. SB 1013 expanded the program to include additional material types and increased the convenience zones from a half mile radius to a one (1) mile radius. The new zones increased in size four times the prior size and increased the number of containers in the program by 8%. The Department needs to define greater service and requirements to accommodate the larger zones sizes and increase numbers of containers in the program.	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to defining consumer convenience. The following changes have been made to the regulation text: the addition of a definition defining "consumer convenience that is comparable to the requirements of section 14571 and section 14571.9 of the Act" with quantifiable minimum hours of operation.
C- 3 -9	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	The two key definitions that the department did not address with clarity in the emergency proposed regulations were: 1. Comparable - Section 14578.(b)(1) required the department to adopt emergency regulations that are 'comparable' to subdivision (a) of section 14571 that requires one recycling center open 30 hours per week, per convenience zone. a. The department failed to define a new and expanded definition of comparable to the prior requirement. 2. Sufficient - Section 14578.5 (c)(1) requires the submission of redemption plans that include sufficient redemption opportunities for consumers that are comparable to the requirements of Section 14571. a. The department failed to define sufficient redemption opportunities with a quantifiable standard.	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to defining consumer convenience. The following changes have been made to the regulation text: the addition of a definition defining "consumer convenience that is comparable to the requirements of section 14571 and section 14571.9 of the Act" with quantifiable minimum hours of operation.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -10	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	The department should clearly adopt definitions in the regulations that a comparable requirement addresses a zone size that is four time greater than before SB 1013 was signed.	CalRecycle rejects this comment. The scope of this rulemaking is limited to dealer registration and dealer cooperatives. At this time, CalRecycle does not have the statutory authority to redefine comparable convenience as it pertains to dealer cooperatives and zone size. Statute PRC section 14578.5(c)(1) requires that redemption programs shall include sufficient redemption opportunities for consumers that have comparable consumer convenience to the requirements of PRC section 14571 and include, but are not limited to, pilot projects described in PRC section 14571.9. These proposed regulations therefore define consumer convenience in accordance with that standard.
C- 3 -11	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	The department should adopt in the regulations a definition of sufficient that will provide services for the program to achieve an 80% redemption rate.	CalRecycle accepts this comment in part. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to defining "sufficient" consumer convenience. The following changes have been made to the regulation text: the addition of a definition for "consumer convenience that is comparable to the requirements of section 14571 and section 14571.9 of the Act" with quantifiable minimum hours of operation. CalRecycle rejects this comment in part to the extent that the requestor recommends an 80% redemption rate. Data for containers sold is currently only available statewide because beverage manufacturers and distributors only report statewide sales. In lieu of an 80% redemption rate for a zone or statewide, CalRecycle requires in the proposed regulations an 80% rate of redemption based off of containers sold by the dealer members, which is more efficiently monitored based on the sales data provided by a dealer cooperative in its reports to CalRecycle.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -12	[Subchapter 4.5 Art. 1] Definitions	2370. Definitions	Website	Jeff Donlevy	Jeff Donlevy	The department has monitored the pilot programs for the past two years. The information and data collected from the pilot programs have shown and should help guide the department with developing new definitions of comparable and sufficient. The department has information and data from the pilot programs that clearly shows that programs with few hours of service and locations that move around to different locations have very low participation and collection of containers. The department, when defining comparable and sufficient, should increase the regulations regarding available hours and locations for mobile programs to ensure that the collection capacity offers comparable collection and convenience to stationary locations with hours available six days per week.	CalRecycle accepts this comment in part and rejects this comment in part. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to defining "consumer convenience that is comparable to the requirements of section 14571 and section 14571.9 of the Act". This phrase has been added to section 2370 and formally defined. However, CalRecycle disagrees that clarification is needed with regard to the available hours and locations specifically for mobile programs because the addition of regulations for the available hours and locations for mobile programs is not necessary as it falls under the new definition for "consumer convenience that is comparable to the requirements of section 14571 and section 14571.9 of the Act".
C- 3 -13	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	As of April 17th, there were 4,846 dealers/stores triggering convenience zones selling approximately 27,000,000,000 containers per year, or 5,555,555 containers sold per dealer per year. In order to achieve an eighty percent recycling rate (70% redemption + 10% from Curbside and other programs), each member dealer should have capacity to redeem 3,888,888 containers per year or 325,000 containers per month. A new sufficient definition/standard should require cooperatives to have systems capable of redeeming more than 325,000 containers per month per dealer/member in the dealer cooperative.	CalRecycle rejects this comment. The methodology presented would be an inequitable approach to providing sufficient redemption opportunities. PRC section 14501(c) establishes an 80% beverage container recycling goal and the proposed regulations set performance standards for dealer cooperatives to collect an amount equal to 80% of their sold beverage containers from their dealer location in an unserved zone. The proposed regulations also require the dealer cooperative to design and implement a redemption network in an unserved zone that will collect 100% of the beverage containers sold by its dealer members. The provisions are necessary to effectuate the 80% statutory redemption standard because they provide flexible standards that consider the varying sizes and non-uniform capacity of dealer cooperatives. The proposed method of quantifying a 325,000 container per month standard assumes equal distribution of dealers per dealer cooperative and does not consider the limitations of smaller or more rural cooperatives that have lower sales of beverage containers compared to other high-volume dealers.
C- 3 -14	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	Additionally, to promote convenience to consumers, the department should adopt a regulation for dealer coops, and new redemption centers on dealer sites, that is comparable to the requirement of Section 14570 for the redemption for in store take back at any open register. This is a clear indication in the legislation that redemption locations should be visible and accessible to all consumers to promote redemption activities. The Department should adopt a requirement that requires dealer cooperatives to provide services at the front of the store, or, if located outside, within site of the front door of the dealer hosting the redemption location. Dealer cooperative, nor nonmember dealers, should not be allowed to place redemption locations at the back of stores, behind stores, or out of view of the consumers entering the stores. This new comparable regulation would help define the acceptable locations for new redemption centers to promote more convenient redemption for all consumers and allow the department to reject applications for new redemption locations that are not visible to consumers or located behind stores where access, parking, and security are not as well defined as when located at the front of a store.	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to the visibility of signage for dealer members. The following changes have been made to the regulation text: the addition of a provision requiring specified signage at the front of each dealer member store.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -15	[Subchapter 2 Art. 1] Certification Application Procedures	2030. Review of Applications	Website	Jeff Donlevy	Jeff Donlevy	Section 2030 (g)(9) – pg. 4 Without authority, the department is attempting to add legislative language that prohibits new recycling centers from opening in unserved zones. The department without authority is trying to deny recycling businesses from opening and provide greater convenience to consumers in an unserved zone with a dealer cooperative.	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This regulatory provision, section 2030(g)(9) is designed to aid the statutory objective of creating greater consumer convenience in an unserved zone. A dealer cooperative will provide redemption throughout the unserved zone, which would achieve the objectives of SB 1013. The provision is reasonable because if recycling centers are certified in an unserved zone with a fully operational dealer cooperative, this would make the dealer cooperative ineligible to receive program payments to recoup their investment in that zone and would not achieve the goals and objectives identified in SB 1013. It does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.
C- 3 -16	[Subchapter 2 Art. 1] Certification Application Procedures	2030. Review of Applications	Website	Jeff Donlevy	Jeff Donlevy	The department without authority, is trying to award an exclusive monopoly to one or more dealer coops to protect the coops investment in equipment and assets, while the statute and department does not offer this same protection to any other recycling center operator or other program participants. In fact, the department on a regular basis certifies (multiple) recycling centers in served zones, resulting in recycling centers that were receiving Handling fee payments to lose handling fee payments, consistent with Section 14585(c)(1). This is not a comparable standard or benefit provided to other program participants with recycling centers or collection programs, that also invest in equipment.	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This regulatory provision, section 2030(g)(9) is designed to aid the statutory objective of creating greater consumer convenience in an unserved zone. A dealer cooperative will provide redemption throughout the unserved zone, which would achieve the objectives of SB 1013. The provision is reasonable because if recycling centers are certified in an unserved zone with a fully operational dealer cooperative, this would make the dealer cooperative ineligible to receive program payments and would not achieve the goals and objectives identified in SB 1013. It does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -17	[Subchapter 6 Art. 2] Handling Fees	2516. Eligibility Criteria	Website	Jeff Donlevy	Jeff Donlevy	In the statement of reason, staff is concerned that if a recycling center opened in an unserved zone that has a coop servicing a dealer(s), then the dealer(s) would lose handling fees. If a zone is served, there will be no need for a coop to provide or install redemption locations. If a coop were to install a redemption location in a served zone which would provide additional convenience, the department could, but not required to, deny Handling fee payments to that coop redemption location, while continuing to pay the Handling fee payments to the recycling center in the zone, because 14585 (c)(1) allows only one recycling center in a zone may qualify for handling fee payments. 14585 (c)(1) does not indicate that a redemption location would disqualify a recycling center from receiving Handling fee payments. At the same time, if a coop or multiple coops provide redemption locations in unserved zones, they would be eligible for Handling fee payments.	CalRecycle rejects this comment. With regard to handling fee payments, this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. The proposed regulatory text is necessary to implement PRC section 14578.5(d)(1), which states that a dealer cooperative is only eligible for handling fees if no recycling center operates in the same convenience zone.
C- 3 -18	[Subchapter 2 Art. 1] Certification Application Procedures	2030. Review of Applications	Website	Jeff Donlevy	Jeff Donlevy	Proposed regulations section 2382 subsection (g) reaffirms that redemption locations operating as part of a dealer cooperative "do not make the unserved convenience zone served." The department does not have the authority to deny recycling centers from opening in underserved zones, nor to protect the assets of another private organization, coops.	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This regulatory provision, section 2030(g)(9), is designed to aid the statutory objective of creating greater consumer convenience in an unserved zone. A dealer cooperative will provide redemption throughout the unserved zone, which would achieve the objectives of SB 1013. The provision is reasonable because if recycling centers are certified in an unserved zone with a fully operational dealer cooperative, this would make the dealer cooperative ineligible to receive program payments to recoup their investment in that zone and would not achieve the goals and objectives identified in SB 1013. It does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.
C- 3 -19	[Subchapter 4.5 Art. 1] Definitions	2370. Definitions	Website	Jeff Donlevy	Jeff Donlevy	Section 2370 (c) – pg. 5 Dealer Cooperative Zone – The department is attempting to change an existing definition of 14509.4 without authority. Adding a new term lacks clarity and adds confusion to an already complicated system. Dealer cooperatives may operate anywhere in the state and dealer cooperative may only serve an individual store or multiple stores in a zone. Based on section 2382, coop redemption locations do not 'serve' convenience zones. Adding this definition will confuse a complicated system. There are served zones, unserved zones, exempt zones, zones on hold, and stores served by coop redemption locations. Staff, at the Aug 31st 2023 Workshop, has indicated that a chain of stores, could establish their own coop throughout the state and provided service to only their stores. Staff has indicated that multiple coops could operate in the same zone. Adding a new definition of cooperative zone will confuse the everyone. This definition should be stricken.	CalRecycle accepts the commenter's suggestion to change the phrasing of "dealer cooperative zone" and has replaced all usage of "dealer cooperative zone" with the phrasing "area covered by a dealer cooperative's stewardship plan" for clarity. This change does not affect the scope of the regulatory text.
C- 3 -20	[Subchapter 4.5 Art. 1] Definitions	2370. Definitions	Website	Jeff Donlevy	Jeff Donlevy	Section 2370 (f) – pg. 5 GAAP - The Department without authority is placing a higher standard of business operations that is not required of other existing program participants. Private businesses should be allowed the ability, without mandate, to determine their accounting systems and processes. The department should be focused on increasing redemption rates and the correct payment of deposits to consumers, rather than attempting to find flaws or interpretations in accounting practices via audit of the financials of a private business that will result in enforcement actions that have no merit with increasing convenience for consumers. This is a burdensome requirement that is unnecessary.	CalRecycle accepts the commenter's suggestion to delete the definition of GAAP and has deleted all usage of "GAAP" from the regulation text. This change does not affect the scope of the regulatory text.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -21	[Subchapter 4.5 Art. 1] Definitions	2370. Definitions	Website	Jeff Donlevy	Jeff Donlevy	Section 2370 (g) – pg. 5 Innovative Method of Redemption – The department is adding a definition of a slang term that is not authorized by statute. The Department cannot require new types of redemption systems without those systems being specified in legislation. The department is using two terms that are already defined in statute: 14525.5 Reverse Vending Machine and 14503.5.1 Bag drop recycling center and one term, Mobile collection that is undefined, thus making the definition of 'Innovative method of redemption' unclear. Mobile recycling is authorized in section 14571.4(b)(1)(A)&(B). The department should include a definition that is comparable to the San Diego Mobile program that require minimum of eight (8) hours per store in the convenience zone. In the statement of reason, the department states this term is necessary to add clarity, yet it increases the lack of clarity by identifying a bag drop method and mobile collection method without adopted regulations or operating standards. Additionally, the Department lacks authority to require certain types of redemption systems. The term 'Innovative method of redemption' is not used in section 14578 or 14578.5. The department is selectively picking winners or losers by influencing a preference and mandating, without authority, for mobile collection, bag drop, or RVM's over traditional redemption systems, recycling centers and convenience zone recycling centers, that have provided consumer convenience since the start of the redemption program. By forcing the dealer cooperative to select and use a RVM, Bag drop, or mobile collection, the regulation is un-necessarily increasing the cost of the services and placing a burden on the cooperative that is not called out in legislation. The Department is attempting to mandate or legislate services without authority. This regulation should be stricken from the draft.	CalRecycle accepts the commenter's suggestion in part and is deleting the requirement that each dealer cooperative have a minimum of one "innovative method of redemption". However, the suggestion to remove the definition entirely is rejected because it is necessary to establish the different types of redemption methods available to dealer cooperatives, and to allow payments, delayed up to three business days, to consumers for these methods of redemption.
C- 3 -22	[Subchapter 4.5 Art. 1] Definitions	2370. Definitions	Website	Jeff Donlevy	Jeff Donlevy	Section 2370(g) - pg. 5 "both" – As written, increases confusion by require both mobile collection and bag drop, reverse vending or other. This would require an innovative method to require 'both' mobile collection and bag drop, reverse vending machine, or other method of redemption that does not require an attendant. The department is trying to add legislation of a new method of redemption that is an unattended collection system not operated by a recycling center. This lacks clarity because the department is attempting to require through regulations a collection system not called out or authorized by statute.	CalRecycle accepts the commenter's suggestion to clarify the meaning of "both" in the definition of "innovative method of redemption" and has replaced "both" with "any". This change does not affect the scope of the regulatory text.
C- 3 -23	[Subchapter 4.5 Art. 1] Definitions	2370. Definitions	Website	Jeff Donlevy	Jeff Donlevy	Section 2370(k) – pg. 6 Stewardship Plan – The department, without authority is attempting to change the name of the dealer cooperative redemption plan to a stewardship plan and organization without authority. Section 14500 and 14501 (a)(1) clearly state that the legislation is a litter reduction program and uses the 'redemption' 122 times in the subsequent sections, including 14578 and 14578.5. Section 14510.2 clearly states that 'dealers that have an approved dealer cooperative redemption plan' not a stewardship plan. Section 14578 and 14578.5, were clear when using the terms dealer cooperative 44 times and redemption plan 15 times, while only using stewardship 2 times in the definition of dealer cooperative. The department does not have the authority to change the intent or language of the bill. Stewardship organizations and plans are organizations taking responsibility for products from design, manufacturing, sales, recovery, reclaiming, and reusing material for future products. The dealer cooperative do only one step in the stewardship processes. The department is trying to change the colors of the stripes on a zebra. In the Statement of Reasons, staff, without proof, claims that they need to clarify the environmental stewardship nature of the dealer cooperative which is untrue, since the dealer cooperatives are one of two forced options in the absence of a recycling center in a zone. If the cooperatives were actually an environmental stewardship organization, they would have taken these actions without legislation. The Department should use the proper terms as indicated in the statute, redemption plan.	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. Defining "stewardship plan" to mean a redemption plan as described in PRC section 14578.5(c)(1) of the Act is designed to aid the statutory objective of increasing consumer convenience and access for CRV redemption to increase California's recycling rates to 80% and reduce litter. Defining "stewardship plan" as a redemption plan also supports and is consistent with CalRecycle's proposed regulations and the environmental stewardship nature of the dealer cooperative plans for beverage container redemption in unserved convenience zones. The provision is reasonable because defining the term "stewardship plan" with references to "redemption plan" harmonizes the term with the requirement in PRC section 14510.2 that a dealer cooperative be a stewardship organization. It does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -24	[Subchapter 4.5 Art. 1] Definitions	2370. Definitions	Website	Jeff Donlevy	Jeff Donlevy	Section 2370 (i) – pg. 6 Stewardship program - The department, without authority, is trying to change the name of the redemption plan and dealer cooperative redemption plan to a stewardship program without authority. The legislation, 14578 and 14578.5, was clear when using the term 'redemption plan' 15 times. The dealer cooperative is returning deposits and taking material to a recycling center or Processor, that's all. The department does not have the authority to re-interpret or change the intent or language of the bill. Stewardship organizations and plans are organizations taking responsibility for products from design, manufacturing, sales, recovery, reclaiming, and reusing material for future products. The dealer cooperative dose only one step in a stewardship processes. The department is trying to change the colors of the stripes on a zebra. In the Statement of Reasons, staff, without proof, claims that they need to clarify the environmental stewardship nature of the dealer cooperative which is untrue, since the dealer cooperatives are one of two forced options in the absence of a recycling center in a zone. If the cooperatives were truly an environmental stewardship organization, they would have done this without legislation. The Department should use the proper term as indicated in the statute, redemption program.	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. Defining "stewardship plan" to mean a redemption plan as described in PRC section 14578.5(c)(1) of the Act is designed to aid the statutory objective of increasing consumer convenience and access for CRV redemption to increase California's recycling rates to 80% and reduce litter. Defining "stewardship plan" as a redemption plan also supports and is consistent with CalRecycle's proposed regulations and the environmental stewardship nature of the dealer cooperative plans for beverage container redemption in unserved convenience zones. The provision is reasonable because defining the term "stewardship plan" with references to "redemption plan" harmonizes the term with the requirement in PRC section 14510.2 that a dealer cooperative be a stewardship organization. It does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.
C- 3 -25	[Subchapter 4.5 Art. 2] Dealers	2373. Dealer Redemption Requirements	Website	Jeff Donlevy	Jeff Donlevy	Section 2373 (a) – (e) – pg. 8-9 Dealer Redemption Requirements – This section lacks clarity or is a duplicate of section 2372 and addresses items listed in section 14578.(a)(2).	CalRecycle rejects this comment. This comment does not offer a specific regulatory change for CalRecycle to address. Section 2372 of the proposed regulations details dealer notification requirements and the new registration requirements by dealers, while section 2373 outlines empty beverage container redemption requirements of dealers and specifies additional qualifying events, besides the presence of a recycle center, for when a dealer would be required to redeem in-store based upon their dealer cooperative membership status. These sections and their respective requirements are not duplicative. Additionally, section 2373 of the proposed regulations is not duplicative of section 14578(a)(2) of the Act because section 2373(a)(1)-(3) provides examples of when a dealer would be required to redeem in-store based on potential changes to dealer cooperative membership status, while section 14578(a) of the Act outlines in-store redemption requirements of dealers regarding presence or non-presence of a recycling center in a convenience zone. Section 2373 also references sections 14578(a) and 14578(a)(1) of the Act for emphasis of authority.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -26	[Subchapter 4.5 Art. 2] Dealers	2373. Dealer Redemption Requirements	Website	Jeff Donlevy	Jeff Donlevy	This section is not, but should be, comparable to section 2500, 2501, and 2525 to ensure that in store redemption has comparable requirements and systems to recycling centers and new dealer cooperatives. SB 1013 clearly states stores not members of coops, shall return deposits. In doing so, under SB 1013, dealers not members of the dealer cooperative are one of the three options for consumers to receive their deposits. Dealers not members of the coops should have the same standards and regulations as recycling centers and dealer cooperatives to ensure material is handled properly and delivered to a recycling center or Processor. The Department needs to add regulations to ensure non-coop members are operating at the same level of requirements as coops and recycling centers.	CalRecycle rejects these comments. The scope of this rulemaking is limited to dealer registration and dealer cooperatives. PRC section 14578(a)(1)(A) requires that dealers within an unserved convenience zone redeem all empty beverage container types on the dealer's premises if not a member of a dealer cooperative, and PRC section 14578.5(b) requires CalRecycle to adopt regulations with the registration process for dealers; further regulation on dealers not included in dealer cooperatives is beyond the scope of this rulemaking.
C- 3 -27	[Subchapter 4.5 Art. 2] Dealers		Website	Jeff Donlevy	Jeff Donlevy	Section 14578 (a) (C) Added language requested – The department should add and adopt regulations and language to ensure that dealers not in cooperatives have comparable record keeping requirements to dealer cooperatives and recycling centers as identified in section 2500, 2501, 2525, and 2530.	CalRecycle rejects this comment. PRC section 14578 gives dealers the option of either redeeming in store or joining a dealer cooperative. RRC section 14578(a)(1) describes the requirements for dealers who choose to redeem in store. Dealers who redeem in store are ineligible for payments therefore do not have the same standards set for dealer cooperatives. The requirements for dealer cooperatives under PRC 14578.5 include reporting and other requirements. Imposing the same standards for dealers who redeem in store with dealer cooperatives would be inconsistent with the statutes being implemented by these regulations.
C- 3 -28	[Subchapter 4.5 Art. 2] Dealers		Website	Jeff Donlevy	Jeff Donlevy	The department should add additional language, similar to Article 3, section 2525, to the regulations referencing section 14571.6 of the Act and to require comparable regulations for dealers not in a dealer cooperative, comparable to dealer cooperatives and recycling centers, including:	CalRecycle rejects this comment. PRC section 14578 gives dealers the option of either redeeming in store or joining a dealer cooperative. PRC section 14578(a)(1) describes the requirements for dealers who choose to redeem in store. Dealers who redeem in store are ineligible for program payments and therefore do not have the same standards set for dealer cooperatives. The requirements for dealer cooperatives under PRC section 14578.5 include reporting and other requirements. Imposing the same standards for dealers who redeem in store with dealer cooperatives would be inconsistent with the statutes being implemented by these regulations.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -29	[Subchapter 4.5 Art. 2] Dealers		Website	Jeff Donlevy	Jeff Donlevy	1. Require dealers to track numbers of customers delivering material;	CalRecycle rejects this comment. PRC section 14578 gives dealers the option of either redeeming in store or joining a dealer cooperative. PRC section 14578(a)(1) describes the requirements for dealers who choose to redeem in store. Dealers who redeem in store are ineligible for program payments and therefore do not have the same standards set for dealer cooperatives. The requirements for dealer cooperatives under PRC section 14578.5 include reporting and other requirements. Imposing the same standards for dealers who redeem in store with dealer cooperatives would be inconsistent with the statutes being implemented by these regulations.
C- 3 -30	[Subchapter 4.5 Art. 2] Dealers		Website	Jeff Donlevy	Jeff Donlevy	a. Require dealers maintain logs with the customer's name, address, and signature;	CalRecycle rejects this comment. PRC section 14578 gives dealers the option of either redeeming in store or joining a dealer cooperative. PRC section 14578(a)(1) describes the requirements for dealers who choose to redeem in store. Dealers who redeem in store are ineligible for program payments and therefore do not have the same standards set for dealer cooperatives. The requirements for dealer cooperatives under PRC section 14578.5 include reporting and other requirements. Imposing the same standards for dealers who redeem in store with dealer cooperatives would be inconsistent with the statutes being implemented by these regulations.
C- 3 -31	[Subchapter 4.5 Art. 2] Dealers		Website	Jeff Donlevy	Jeff Donlevy	b. Clarify that containers collected by dealers not members of a cooperative, are in-eligible for CRV, Processing, Payments, or other payments made by the Department;	CalRecycle rejects this comment. The scope of this rulemaking is limited to dealer registration and dealer cooperatives. The Act makes it clear that dealers redeeming in store are ineligible for program payments; therefore, it would be outside of the scope of this rulemaking and also duplicative of statute to include such a provision in these regulations.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -32	[Subchapter 4.5 Art. 2] Dealers		Website	Jeff Donlevy	Jeff Donlevy	2. Clarify that material segregated by consumers and delivered to dealers, shall not be commingled with other program material or non-program material;	CalRecycle rejects this comment. PRC section 14578 gives dealers the option of either redeeming in store or joining a dealer cooperative. PRC section 14578(a)(1) describes the requirements for dealers who choose to redeem in store. Dealers who redeem in store are ineligible for program payments and therefore do not have the same standards set for dealer cooperatives. The requirements for dealer cooperatives under PRC section 14578.5 include reporting and other requirements. Imposing the same standards for dealers who redeem in store with dealer cooperatives would be inconsistent with the statutes being implemented by these regulations.
C- 3 -33	[Subchapter 4.5 Art. 2] Dealers		Website	Jeff Donlevy	Jeff Donlevy	3. Require that material collected by dealers shall be delivered in segregated loads to a recycling center or Processor by the store receiving the material;	CalRecycle rejects this comment. PRC section 14578 gives dealers the option of either redeeming in store or joining a dealer cooperative. PRC section 14578(a)(1) describes the requirements for dealers who choose to redeem in store. Dealers who redeem in store are ineligible for payments therefore do not have the same standards set for dealer cooperatives. The requirements for dealer cooperatives under PRC section 14578.5 include reporting and other requirements. Imposing the same standards for dealers who redeem in store with dealer cooperatives would be inconsistent with the statutes being implemented by these regulations.
C- 3 -34	[Subchapter 4.5 Art. 2] Dealers		Website	Jeff Donlevy	Jeff Donlevy	a. The regulation should clarify, that stores backhauling to a distribution center is not an allowable method to deliver material to a Processor or recycling center;	CalRecycle rejects this comment. PRC section 14578 gives dealers the option of either redeeming in store or joining a dealer cooperative. PRC section 14578(a)(1) describes the requirements for dealers who choose to redeem in store. Dealers who redeem in store are ineligible for payments therefore do not have the same standards set for dealer cooperatives. The requirements for dealer cooperatives under PRC section 14578.5 include reporting and other requirements. Imposing the same standards for dealers who redeem in store with dealer cooperatives would be inconsistent with the statutes being implemented by these regulations.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -35	[Subchapter 4.5 Art. 2] Dealers		Website	Jeff Donlevy	Jeff Donlevy	b. The regulations should clarify that the task of delivering the material to a recycling center or Processor, 'is the stores responsibility' not the company or third party responsibility.	CalRecycle rejects this comment. PRC section 14578 gives dealers the option of either redeeming in store or joining a dealer cooperative. PRC section 14578(a)(1) describes the requirements for dealers who choose to redeem in store. Dealers who redeem in store are ineligible for payments and therefore do not have the same standards set for dealer cooperatives. The requirements for dealer cooperatives under PRC section 14578.5 include reporting and other requirements. Imposing the same standards for dealers who redeem in store with dealer cooperatives would be inconsistent with the statutes being implemented by these regulations.
C- 3 -36	[Subchapter 4.5 Art. 2] Dealers		Website	Jeff Donlevy	Jeff Donlevy	4. Require dealers to deliver material collected to the nearest recycling center or Processor willing to accept the material; a. Unless the dealer can justify that the value of the material delivered to a recycling center or Processor supports the transportation of the material a greater distance than the nearest recycling center or Processor;	CalRecycle rejects this comment. PRC section 14578 gives dealers the option of either redeeming in store or joining a dealer cooperative. PRC section 14578(a)(1) describes the requirements for dealers who choose to redeem in store. Dealers who redeem in store are ineligible for payments and therefore do not have the same standards set for dealer cooperatives. Further regulation on how dealers comply with their statutory duties is not supported by any evidence of need.
C- 3 -37	[Subchapter 4.5 Art. 2] Dealers		Website	Jeff Donlevy	Jeff Donlevy	5. Requiring monthly reporting of material collected, including; a. Providing copies of weight tickets displaying that material has not been paid CRV.	CalRecycle rejects this comment. PRC section 14578 gives dealers the option of either redeeming in store or joining a dealer cooperative. PRC section 14578(a)(1) describes the requirements for dealers who choose to redeem in store. Dealers who redeem in store are ineligible for payments and therefore do not have the same standards set for dealer cooperatives. Further regulation on how dealers comply with their statutory duties is not supported by any evidence of need.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -38	[Subchapter 4.5 Art. 3] Stewardship Plan		Website	Jeff Donlevy	Jeff Donlevy	Article 3 – Title – pg. 10 Stewardship Plan – The department lacks authority to change the name or intent of the legislation identified in section 14578 and 14578.5. Objections have been made above regarding section 2370 (k) and (i)	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. Defining "stewardship plan" as a redemption plan as described in PRC section 14578.5(c)(1) of the Act is designed to aid the statutory objective of increasing consumer convenience and access for CRV redemption to increase California's recycling rates to 80% and reduce litter. Defining "stewardship plan" as a redemption plan also supports and is consistent with CalRecycle's proposed regulations and the environmental stewardship nature of the dealer cooperative plans for beverage container redemption in unserved convenience zones. The provision is reasonable because defining the term "stewardship plan" with references to "redemption plan" harmonizes the term with the requirement in PRC section 14510.2 that a dealer cooperative be a stewardship organization. It does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.
C- 3 -39	[Subchapter 4.5 Art. 3] Stewardship Plan	2375. Stewardship Plan Submission	Website	Jeff Donlevy	Jeff Donlevy	Section 2375 (a)(4) – pg. 10 Web Content Accessibility Requirements – The department lacks authority by statute to require this through regulations. The regulation is burdensome, costly, and increases exposure and liability to the dealer cooperative(s). The department lacks authority to require a private entity not receiving public funds to comply with section 7405 of the Government Code, these are requirements for government agencies or those using government fund to provide accessibility to the public. 7405 was not intended to require private businesses to provide assessable information for government employees. This regulation and requirement is not comparable to what other program participants are required to provide. This section should be stricken.	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This regulatory provision, section 2375(a)(4), is designed to aid the statutory objective of increasing consumer convenience and access for CRV redemption to increase California's recycling rates to 80% and reduce litter. The provision is reasonable because accessibility requirements imposed upon submitted stewardship plans of non-profit dealer cooperatives ensures that the published information is accessible to all individuals, including those with disabilities, thereby promoting inclusivity and community access to information regarding redemption of CRV containers. Furthermore, section 2375(a)(4)(B) states that a dealer cooperative's failure to comply with subparagraph (A) shall not be a basis for disapproval of the stewardship plan. This regulatory provision does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -40	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	Section 2375.1 (a)(7) – pg. 11 List of Unserved Convenience Zones – This is un-necessary requirement. The department already has this information and is attempting to have as part of an application, the coop do the work of department employees. Cooperatives do not provide 'service' to unserved zones, the coops will provide compliance/service to member stores of the coop. Thus, providing information on convenience zones is un-necessary and adds an un-necessary cost on the coop.	CalRecycle rejects this comment. With regard to including a list of unserved convenience zones in the stewardship plans and the commenter's assertion that this list is unnecessary and places a burden on dealer cooperatives, CalRecycle needs to know in which unserved convenience zones the dealer cooperative will operate so that CalRecycle may make an informed determination on whether the submitted stewardship plan complies with the Act and its implementing regulations. Also, this provision is necessary to record dealer cooperation operations in unserved convenience zones to make determinations of eligibility for various program payments as required by the Act.
C- 3 -41	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	The department lacks authority to limit the locations of dealer cooperative redemption locations. The Act does not specifically prohibit dealer cooperatives from only operating in unserved zones. The cooperative and members, to provide great convenience and standardized redemption systems, should have the right to offer redemption services in zones already served by a recycling center	CalRecycle rejects this comment. To the extent that CalRecycle lacks the authority to limit the redemption locations of dealer cooperatives to only unserved zones, PRC section 14578(a) and (b)(3), and PRC section 14578.5(c)(1) and (d)(1) limit the operation of dealer cooperatives to convenience zones unserved by recycling centers. The purpose of SB 1013 is to increase consumer convenience and access to CRV redemption, which is best accomplished by providing redemption opportunities to the communities that currently have no options.
C- 3 -42	[Subchapter 6 Art. 2] Handling Fees	2516. Eligibility Criteria	Website	Jeff Donlevy	Jeff Donlevy	The department then has the ability if the redemption location in an already served zone is eligible for CRV payments, Processing payments, and Handling fee payments. The department has authority under 14501(f) to offer these payments to the cooperative redemption location in an already served zone.	CalRecycle rejects this comment. With regard to handling fee payments, this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. The proposed regulatory text is necessary to implement PRC section 14578.5(d)(1), which states that a dealer cooperative is only eligible for handling fees if no recycling center operates in the same convenience zone.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -43	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	The department has authority under 14501(f) to offer these payments to the cooperative redemption location in an already served zone. In the statement of reason, the department reference authority by the Act, yet fails to reference a section of the act.	<p>CalRecycle rejects this comment. For every regulation section proposed in this rulemaking, CalRecycle has listed authority sections of the PRC that grant CalRecycle the power to promulgate these regulations.</p> <p>CalRecycle does not have the statutory authority to allow dealer cooperatives to receive program payments for beverage containers redeemed in served convenience zones. The operation of dealer cooperatives is limited to unserved convenience zones under PRC sections 14578 and 14578.5, with PRC section 14578.5(d)(1) stating that a dealer cooperative is only eligible for program payments if no recycling center operates in the same convenience zone. PRC section 14501(f), which is only a broad finding and declaration about the purpose of the Act being to establish profitable and convenient recycling opportunities, does not supersede the explicit provisions of PRC sections 14578 and 14578.5. Therefore, CalRecycle does not have the authority to make program payments to dealer cooperatives in served zones.</p>
C- 3 -44	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	Section 2375.1 (a)(8) – pg. 11 List of Processors and Recycling Centers – This is an un-necessary requirement. The Department is overreaching authority under 14530.5. The statement of reasons should disqualify this requirement as staff is trying to legislate that the cooperative reveal business relationships that are protected under section 14554. The department is referencing 2375.1(b)(8) related to Performance Standards that make no reference sales of material. As part of the plan, department staff is trying to assess the business relationships which are, and should be, protected. The dealer cooperatives should be free to choose, select, and switch Processor or Recycling Centers they choose to conduct businesses with on an ongoing basis, without having to update the plan and ask the departments permission. The use and selection of recycling centers or Processors provides no information to the Department on the redemption activities provided, as the coop will be required to pay for the services. The Department is attempting to get involved in the judgement of the coops business operations via regulations that is not authorized or needed to increase redemption activity. This would be a burdensome and costly provision that gets the department to deep and involved in the running and judgement of the cooperative business activity.	<p>CalRecycle rejects this comment. To the extent that CalRecycle lacks authority to require a list of proposed processors and recycling centers the dealer cooperatives will ship material to, imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This provision aids in the statutory objective of achieving a recycling rate of 80% as outlined in PRC section 14501(c) and that dealer cooperatives submit a stewardship plan that will provide redemption in a convenience zone pursuant to PRC section 14578(a)(2)(A). To ensure that dealer cooperatives are submitting a plan that can be implemented, it is reasonable and necessary to include this provision. Requiring dealer cooperatives to submit a comprehensive plan to collect a minimum of 80% of their sold beverage containers, such as requiring a list of entities that would receive material from the dealer cooperative, is therefore reasonable and necessary to effectuate this statutory provision.</p>

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -45	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	Section 2375.1 (b)(3) – pg. 11 Education and Outreach – This lacks authority in the Act and is an overreach of 14530.5. This would create confusion for the consumers as to where to look for information. The department has the responsibility and budget to promote and provide outreach for the entire program. The department should promote all redemption locations equally on the department website. AB 209 in 2022, provided the department \$1 million dollars to create a website and mobile app to provide this communication to the public. The dealer cooperatives will have members that are dealers that are experts in customer communication, marketing, and outreach. The cooperative should have the freedom of choice to operate, market, and communicate the program to the consumers. This is burdensome and not comparable to the requirements of other program participants including recycling centers, Processors, or dealers not members of a dealer cooperative. This request injects staff into the judgement of the plan without authority. In the statement of reason, staff references the necessity for outreach, education, and other provisions required for comparable and sufficient redemption under 14571 that identifies operational hours in a zone. These attempted semi quasi legislative requests are more in tune with a franchise agreement for an exclusive solid waste agreement. Through the proposed draft regulations, staff is trying to get to involved with the choices, or be the judge and evaluator of the effectiveness, of the operation of the cooperatives and attempting to the legislative body that approve exclusive agreements that would justify such requests. The dealer cooperative are not exclusive agreements where the state is compensating the cooperative for service. Section 2375.1 (b)(30 should be stricken in its entirety. The department is attempting to make the education and outreach of the redemption program the responsibility of the coops. Education and Outreach of the Program should be the overall responsibility of the department to promote all redemption locations with a common message and on a common platform.	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. CalRecycle disagrees with this comment. The requirement of dealer cooperatives to provide outreach and education is necessary to increase consumer convenience and access to redemption opportunities. PRC section 14578.5(c)(1) requires that dealer cooperatives' redemption programs provide sufficient redemption opportunities and comparable convenience to the requirements of PRC section 14571 and the outreach and education stewardship plan requirement is necessary to effectuate this statutory provision because the Act has placed the responsibility of providing convenience onto the dealer cooperatives, and for redemption opportunities to be considered convenient, consumers must be made aware. With regard to CalRecycle promoting all redemption locations equally on CalRecycle's website, this is not required through regulation because CalRecycle already has this authority.
C- 3 -46	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	Section 2375.1 (b)(5) – pg. 12 Community Input – This lacks authority in the Act, is burdensome, increases costs, and is an overreach of 14530.5. The dealer cooperatives will have members that are dealers that are experts in customer communication, marketing, and outreach and analyzing the needs of the communities they serve. The cooperative should have the freedom of choice to operate, market, communicate, and provide the service that the program to the consumers. This is burdensome and not comparable to the requirements of other program participants including recycling centers, Processors, or dealers not members of a dealer cooperative. The statement of reason states the necessity to effectuate the Acts purpose of reducing litter, yet the Act does not mention community input once. This request injects staff into the judgement of the plan without authority. In the statement of reason, staff references the necessity for outreach, education, and other provisions required for comparable and sufficient redemption under 14571 that identifies operational hours in a zone. These attempted semi quasi legislative requests are more in tune with a franchise agreement for an exclusive solid waste agreement. The proposed draft regulations, staff is trying to get to involved with the choices of the operation of the cooperatives and attempting to be the legislative body that approve exclusive agreements that would justify such requests. The dealer cooperative are not exclusive agreements where the state is compensating the cooperative for service. Section 2375.1 (b)(30 should be stricken in its entirety	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. CalRecycle disagrees with the removal of this provision. Requiring dealer cooperatives to provide opportunities for community input is designed to aid the statutory objective of providing more convenient, efficient, and economical redemption opportunities for all California consumers. The provision is reasonable because for dealer cooperatives to provide convenient redemption to the communities they serve, they must maintain open channels of communication. This way, they can be aware of the unique challenges associated with empty beverage container redemption and they can develop solutions to mitigate or overcome the challenges. It does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -47	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	Section 2375.1 (b)(6) – pg. 12 Require Innovative method – This lacks authority in the Act. The Department again is trying to legislate and mandate services not addressed in 14578. Or 14578.5. The cooperative should have the choice of services to offer, including continued use of recycling centers. There was no mandate to use 'innovative methods' (please see comments 2370 (g)). In the statement of reason, staff references section 14571 that calls for a recycling center in an unserved zone and the need for 'sufficient and comparable convenience (please see comments regarding lack of definition of comparable and sufficient)	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle deleted the provision that each dealer cooperative use a minimum of one innovative method of redemption
C- 3 -48	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	Section 2375.1 (b)(6) – pg. 12 Daily Redemption Limits – This statement is un-necessary as the Act is silent on redemption centers, Processors, or other program participants from setting lower daily load limits. In the Statement of reason, the department is attempting to offer a benefit not defined or available to recycling centers, thus treating existing recycling centers differently. The department does not have authority to provide additional benefits to dealer cooperatives to give them a benefit not offered other program participants. This regulation would not be a comparable standard and should be stricken.	CalRecycle rejects this comment. To the extent that redemption limits creates an unnecessary burden for consumers, the provision is necessary to provide flexibility of standards for dealer cooperatives to comply with their legal obligations. PRC section 14578.5(c)(3)(A) requires that dealer cooperatives redeem all material types and offer one or more redemption locations within the area covered by a dealer cooperative's stewardship plan and CalRecycle will retain this redemption limit provision with the addition of requiring a minimum of one location within a convenience zone with no material type redemption limits for 10 hours per week to effectuate this statutory provision. Redemption limits are necessary to allow flexibility for redemption sites to use methods of redemption that have physical storage limits, while also maintaining the objective of comparable consumer convenience.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -49	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	Section 2375.1 (b)(7)(A) – pg. 12 100% Capacity Requirement – Lacks authority. This requirement requires the cooperative and members to disclose information protected under section 14554 and to obtain protected information from non-member dealers in the convenience zone, it's an impossible task and requirement. In some cases, there may be only one member dealer in the cooperative in a given area, thus requiring the store to publicly disclose sales data to the public. This information is not required by statute and should not be required. The statute does not require redemption capacity for 100% of containers sold. In the statement of reason, staff again attempts to introduce legislation in the form of a regulation with the goal to 'increase efficiency and effectiveness of recycling efforts and aligns with broader objectives of waste management and environmental sustainability.' The Department is trying to justify regulation by confusing the goal of beverage container redemption and recycling with other policy issues not addressed in the Act.	CalRecycle rejects this comment. To the extent that CalRecycle lacks authority to require dealer cooperatives to have the capacity to redeem 100 percent of beverage containers sold by their dealer members, imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This provision aids in the statutory objective of achieving a recycling rate of 80 percent as outlined in PRC section 14501(c) by limiting the number of containers that the dealer cooperative must collect and ensuring small dealer cooperatives are not overwhelmed with the redemption of beverage containers that far exceeds the amount of beverage containers they sell. With regard to PRC section 14554, that section does not prohibit CalRecycle from imposing a beverage container redemption capacity requirement on dealer cooperatives.
C- 3 -50	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	Section 2375.1 (b)(7)(A) contradicts Section 2375.1(b)(6) that would allow load limits that would allow dealers to set limits and reject containers when they reach a daily limit of capacity.	CalRecycle rejects this comment. With regard to prohibiting dealer cooperatives from refusing acceptance of beverage containers not sold by members of the dealer cooperative this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. To the extent that this provision contradicts the allowance of daily redemption limits, the daily redemption limits permitted in section 2375.1(b)(6) and (b)(8)(B) refer to physical load limits and are not limiting beverage containers and materials based on where they were sold. Redemption limits are necessary to allow flexibility for redemption sites to use methods of redemption that have physical storage limits, while also maintaining the objective of comparable consumer convenience.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -51	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	Section 2375.1 (b)(7)(B)(iii)(I)&(II) – pg. 13 Hours of Operation – These regulations are confusing. The department references back to 14571 that requires a zone to be served by a recycling center for 30 hours per week. For coops, the department needs to define comparable and sufficient, including operational requirements for bag drop locations, RVM's, and mobile collection and identify the operating hours required, (I.E. 10 hours per day for each day the store is open.).	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to the requirements for hours of operation. The following changes have been made: the deletion of the regulatory provisions the commenter references and the addition of a definition defining "consumer convenience that is comparable to the requirements of section 14571 and section 14571.9 of the Act" with quantifiable minimum hours of operation.
C- 3 -52	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	Section 2375.1 (b)(7)(C) – pg. 13 Safety and Cleanliness – This lacks authority in the Act and is an overreach of 14530.5. The dealer cooperatives will have members that are dealers that are experts in providing customer clean and safe facilities. The cooperative should have the freedom of choice to determine and provide redemption locations of their choice that comply with local use requirements. This is burdensome and not comparable to the requirements of other program participants including recycling centers, Processors, or dealers not members of a dealer cooperative. This request injects staff into the judgement of the plan without authority. In the statement of reason, staff references the necessity for 'enhancing the overall user experience and fulfilling the requirement of the Act' yet there is no section in the Act referenced and 'user experience' is not used nor defined in the Act.. These attempted semi quasi legislative requests are more in tune with a franchise agreement for an exclusive solid waste agreement. The Department is trying to get to involved with the choices of the operation of the cooperatives and attempting to be the legislative body that approve exclusive agreements that would justify such requests. The dealer cooperative are not exclusive agreements where the state is compensating the cooperative for service. Section 2375.1 (b)(30 should be stricken in its entirety.	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. CalRecycle disagrees with the removal of this provision. Requiring dealer cooperatives to describe how they will address cleanliness and safety in their stewardship plan is designed to aid the statutory objective of increasing consumer convenience and access to CRV redemption. The provision is reasonable because it does not limit the choice of where redemption sites are located and provides dealer cooperatives with the ability to explain their choice by addressing issues that impede access and convenience to consumers. Dealer cooperatives are a separate recycling entity, and thus making dealer cooperative operation provisions the same as recycling center provisions is not necessary and contradicts the intent of SB 1013. This provision does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -53	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	Section 2375.1 (b)(7)(E) – pg. 13 Not All Containers accepted – This section lacks authority, lacks clarity and increases confusion in the redemption program. This section contradicts section 14572(a)(1) and modifies section 14572(b). This is providing an undefined benefit to the dealer cooperatives, not allowed existing recycling centers in served zones. The Act uses the word 'flexibility' once, in section 14571(C)(3)(B)(ii) when used to allow flexibility to schedule hours of operation, not for the acceptance of certain beverage containers. The statement of reason attempts to allow flexibility to the dealers so they provide more convenience, yet by not accepting all containers, staff justification is less convenient for the consumers. Staff uses an example of a cooperative providing a glass only RVM outside a wine tasting room as justification, which demonstrates staffs lack of understanding of the Act as containers from a wine tasting room are exempt from the program, in-eligible for redemption value, processing payments, or handling fees, and wine tasting rooms, in an unserved convenience zone are not required to provide in store return options if not in a deal cooperative. This section should be stricken.	CalRecycle accepts this comment in part. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. Allowing redemption limits is designed to aid the statutory objective of increasing consumer convenience and provide flexibility of standards for dealer members to comply with their legal obligations. The provision is reasonable because it allows dealer cooperatives to provide a redemption opportunity in a location and manner that it would not be able to do if it was required to redeem all beverage container material types. It does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act. Dealer cooperatives are a separate recycling entity from a recycling center, and thus making dealer cooperative operation provisions identical to recycling center provisions is not necessary and is contrary to this statutory provision. However, based on interested party feedback, CalRecycle agrees clarification is necessary and will add clarification that at least one redemption location in each unserved convenience zone covered by the stewardship plan shall redeem all beverage container material types with immediate payment of the refund value a minimum of 10 hours per week, with no less than five of those hours on a Saturday or Sunday between the hours of 9 a.m. and 5 p.m.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -54	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	Section 2375.1 (b)(8)(A) – pg.14 Performance Standards – This section lacks authority. 14578.5 does not mention, nor require Performance standards of dealer cooperative plans as a condition of approval. Performance standards are not required of other program participants; thus this section is not comparable and should be stricken. The dealer cooperatives will have members who are business experts that will choose how to evaluate and monitor their redemption programs. The cooperative may employ technology or contractors that have systems that are protected under section 14554. The statement of reason refers to performance standards as the hallmark of product stewardship plans, please refer to comments above 2370 (k) and (i).	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This provision provides performance standards unique to dealer cooperatives that each dealer cooperative establishes for itself. It is necessary and reasonable to provide flexibility of standards for dealer members to comply with their legal obligations in a way that best suits to unique needs of their community. PRC section 14578.5(c)(1) requires that the dealer cooperative redemption program be sufficient with redemption opportunities for consumers with comparable consumer convenience to recycling centers and pilot projects. While the statute is specific that the redemption plan should be comparable, it is not required that dealer cooperative operate in the exact same manner as recycling centers. Making dealer cooperative operation provisions the same as recycling center provisions is not necessary and is contrary to the intent of SB 1013.
C- 3 -55	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	Section 2375.1 (b)(8)(A)(i) – pg. 14 Geographic Spread – This section lacks authority, lacks necessity. The cooperative will provide service to members and the selection and location of the redemption locations are not restricted by legislation nor required to have an explanation or justification as a condition of approval of the plan. The cooperatives and members will be business experts that will determine the best location to provide convenience and provide a sustainable solution for the members since they will be paying for the services. The members have a financial interest in providing redemption locations that are efficient. If a redemption location is not convenient for consumers, it will not collect containers that generate revenue, thus the location would be costly and in-efficient. The statement of reason list 'equitable access' which is not defined not used in the Act. In the statement of reason, staff references a metric of 'X number of redemption sites per X number of persons' that lack clarity or definition. Staff continues to forget that some dealer members of the cooperative, may be the only member in a zone that has tens of thousands of people	CalRecycle rejects this comment. To the extent that CalRecycle lacks authority to require a description of the geographic spread of the redemption sites, imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This provision is necessary to fulfill the statutory objectives of increasing consumer convenience and providing flexibility of standards for dealer members to comply with their legal obligations. The provision is reasonable due to a dealer cooperative having the flexibility to establish its own geographic spread rather than being subject to a prescriptive geographic spread standard. This provision does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -56	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	Section 2375.1 (b)(8)(iii) – pg. 14 Performance Standards – This section lacks authority. The Act does not require a minimum number of containers per site to be redeemed. This is not a comparable standard to existing program participants. The Department is attempting to legislate a mandate via regulations that they have no authority to mandate. It requires the cooperative to determine methods to increase, attract, or influence consumers to redeem more containers at their locations. The Department is attempting to influence the cooperatives, in order to meet an unauthorized mandate, to compete with other recycling centers in the state by offering incentive, such as higher scrap values or store benefits that recycling centers may not be able to provide or operate at a financial disadvantage. Staff is making the assumption that a redemption rate under 80 percent is less adequate, when due to the historical lack of convenience in some areas, some consumers may have given up or the consumers are choosing to use other recycling options, like donations or curbside programs. The Department has no authority to require the cooperative to influence consumer behaviors.	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. The provision requiring an 80% redemption rate of containers sold within the dealer cooperative is necessary to accomplish the goal of 80% beverage container recycling rate established in PRC section 14501(c). The 80% minimum performance standard for redemption of containers sold by dealer members is necessary to effectuate this statutory provision because it provides flexibility of stewardship design for each unique community served to meet the minimum performance standard for dealer cooperatives. Additionally, the quarterly beverage container redemption capacity per convenience zone is not quantified as a static number, rather each dealer cooperative is able to establish its own quarterly beverage container redemption capacity. Dealer cooperatives are a separate recycling entity, and thus making dealer cooperative performance standard provisions the same as recycling center provisions is not necessary and is contrary to the intent of SB 1013.
C- 3 -57	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	Section 2375.1 (b)(8)(iv) – pg. 14 Wait Times – This section lacks authority, is burdensome, and costly. The Department is attempting to legislate that the dealer cooperative provides information that staff is not entitled to and is information that could be protected under 14554. This requirement is not comparable or required of other program participants and should be stricken from the regulations. This request is more in line with a solid waste agreement to track wait times of a call center servicing thousands of customers per day in a franchise agreement. There are no comparable standards or requirements for recycling centers. There are no known systems available for redemption locations to track wait times, especially due to the unpredictable nature of the business and customer behavior with some customers being fast, some being slow, and peak time surges on weekend days. There is no good that could come from such a request, only information that would create a negative or hostile relationship with the Department asking questions, requiring additional information, or possibly issuing violations for something that is not required by statute. This requirement should be stricken from the regulations.	CalRecycle rejects this comment. Wait times are an important indicator of consumer convenience for beverage container redemption, therefore it is reasonable and necessary for a dealer cooperative to include in its stewardship plan a performance standard that it sets for itself for consumer wait times.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -58	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	Section 2375.1 (b)(8)(B) – pg. 14 Redemption Limits – This section is a duplicate of 2375(b)(6). This section is unnecessary as the Act is silent on redemption centers, Processors, or other program participants from setting lower daily load limits. In the Statement of reason, the department is attempting to offer a benefit not available to recycling centers, thus treating existing recycling centers differently. The department does not have authority to provide additional benefits to dealer cooperatives. This regulation would not be a comparable standard and should be stricken.	CalRecycle rejects this comment in part to the extent the commenter is suggesting that CalRecycle does not have authority to impose this requirement. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. Allowing redemption limits is designed to aid the statutory objective of increasing consumer convenience and provide flexibility of standards for dealer members to comply with their legal obligations. The provision is reasonable because it allows dealer cooperatives to provide a redemption opportunity in a location and manner that it would not be able to do if it was required to redeem all beverage container material types. It does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act. Dealer cooperatives are a separate recycling entity from a recycling center, and thus making dealer cooperative operation provisions identical to recycling center provisions is not necessary and is contrary to this statutory provision. CalRecycle accepts this comment in part to the extent that it recommends clarification. Based on interested party feedback, CalRecycle agrees clarification is necessary and will add clarification that at least one redemption location in each unserved convenience zone covered by the stewardship plan shall have the same redemption limits as CCR, title 14, section 2535(f).

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -59	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	Section 2375.1 (b)(9), (9)(A) & (9)(B) – pg. 15 Cooperative Budget – This lacks authority. The requirement should be the same comparable requirement of other program participants identified in Article 2, section 2045(d)(1) submitting a readiness plan	CalRecycle rejects this comment. To the extent that stewardship plan budget requirements lack statutory authority, imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This provision is necessary to fulfill the statutory objectives of increasing consumer convenience because CalRecycle must be aware of whether a dealer cooperative's budget is practical and able to provide consumer convenience before approving or disapproving a stewardship plan. The provision is reasonable due to the budget information required being brief and not extensive - only what is required to assess overall financial stability of the dealer cooperative. This budget requirement is in fact comparable to recycling centers and processors, which are required to submit budget information when applying for certification under 14 CCR section 2045(d). The provisions do not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.
C- 3 -60	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	GAAP is a new term not required by the Act, see comment for section 2370(f).	CalRecycle accepts the commenter's suggestion to delete the definition of GAAP and has deleted all usage of "GAAP" from the regulation text. This change does not affect the scope of the regulatory text.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -61	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Jeff Donlevy	Jeff Donlevy	The dealer cooperative will be a group of business professionals that will design a redemption collection system based on the requirements of the act and approved by the members. It appears that the department lacks knowledgeable staff with experience in the recycling business, specifically the CRV recycling industry where markets are unpredictable, pricing can change rapidly, state processing payments can change quarterly, handling fees can change, or numerous other financial variables that the dealer cooperative has not control over make budgeting very difficult. Considering these variables outside of the control of the cooperative, any budget submitted could lead to an adversarial understanding that will place the cooperative on the opposite side of the table. In the statement of reason, staff language requesting 'concrete numbers it can use to assess the financial status' indicated with department staff looking for concrete and specific numbers, if not adhered too in the forecasted budget, could be used by the department to issue violations for non-compliance. The statement of reason is attempting to place department staff as an elected board overseeing a private organization to judge if the cooperative is operating to the department satisfaction. This is an overreach for information requested under 14530.5. The statement of reasons states the justification that the department, 'needs the opportunity' to review the purpose of expenditures compared to the plan. The department is attempting to take on the role of an elected board overseeing a solid waste franchise agreement where rate payers or public money is being paid for service, which is not the case for the dealer cooperative. The departments desires for information and needs are not authorized by the act and the Department cannot mandate their wants and needs are satisfied by adopting emergency regulations.	CalRecycle accepts this comment in part. With regard to requiring budget information in the stewardship plan, imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. CalRecycle rejects the comment in part stating that the budget information requirements are an overreach of the Act and are not authorized in statute. The budget requirements for the stewardship plan outlined in Sections 2375.1(b)(9), (9)(A), and (9)(B) are designed to aid the statutory objective of facilitating CalRecycle's assessment of whether a dealer cooperative can provide consumer convenience in accordance with PRC section 14578.5(c)(1). The provision is reasonable due to the budget information required being brief and not extensive - only what is required to assess overall financial stability of the dealer cooperative. These provisions are meant to assess whether dealer cooperatives are able to provide the convenient consumer redemption required by the Act, and not to punish them for market changes outside of their control. The provisions do not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act. However, in response to interested party feedback, not complying with budget information specified in the stewardship plan has been removed as a basis for revocation of a stewardship plan under section 2385(b)(1).
C- 3 -62	[Subchapter 4.5 Art. 3] Stewardship Plan	2376. Stewardship Plan Review and Approval or Disapproval; Operational Notice	Website	Jeff Donlevy	Jeff Donlevy	Section 2376 – pg. 15 Dealer Plan Review and Approval or Disapproval – 14578.(a)(2)(A) and (B) clearly state that the plan "shall" be approved by the department. The intent of the Act was clear for the cooperative to submit a plan that should (shall) be approved by the department. This lacks authority to disapprove a plan. The department, through the Proposed regulations has demonstrated an overreaching interpretation of 14530.5, is attempting to add legislative policy via regulations, and he requested information that is excessive, burdensome, and costly to those formation, membership, and ongoing viability for businesses forming together to provide convenient redemption to consumers in the absence of a recycling center in the zones of cooperative member, all the while making non-membership of dealers more attractive, with no additional requirements of non-member dealers that would be comparable to cooperative member or recycling centers. In the statement of reasons, the department attempts to justify their demands as a way to satisfy their needs, rather than create a efficient pathway for approval of a plan for dealer cooperative to begin providing convenience redemption opportunities to consumers which is clearly the intent of the Act.	CalRecycle rejects this comment, which misinterprets the words "shall be approved" in PRC section 14578(a)(2) as requiring mandatory approval by CalRecycle. Rather, the phrase "shall be approved" refers to the obligations a dealer cooperative must meet in order to be in compliance with that section. Specifically, a dealer cooperative is not in compliance with the law unless it is operating under an approved plan. Requiring CalRecycle to approve all stewardship plans, regardless of whether a stewardship plan met the requirements set forth in SB 1013, would not further the goals or requirements of SB 1013.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -63	[Subchapter 4.5 Art. 3] Stewardship Plan	2376. Stewardship Plan Review and Approval or Disapproval; Operational Notice	Website	Jeff Donlevy	Jeff Donlevy	Section 2376 (b)(2) – pg. 15 Public Comment – Lacks authority, burdensome, and costly. The Act, including sections 14578 and 14578.5 make no reference to public comments on the plans. Other program participants are required to have public comments on proposed plans; thus this item places the dealer cooperative at a higher level of scrutiny than other participants, thus, it is not a comparable standard. The department is interjecting themselves into local jurisdictional authority. This item is an overreach of 14530.5. The dealer cooperatives will have members that are dealers that are experts locating and providing facilities to serve their communities with the highest professional, environmental, and varying community needs taken into consideration. The statement of reason states the necessity to allow public comment without referencing authority within the Act. This request injects staff into the judgement of the plan without authority. These attempted semi quasi legislative requests are more in tune with a franchise agreement for an exclusive solid waste agreement. The Department is trying to get to involved with the choices of the operation of the cooperatives and attempting to be the legislative body that approve exclusive agreements that would justify such requests. The dealer cooperative are not exclusive agreements where the state is compensating the cooperative for service. Section 2376(b)(2) should be stricken in its entirety	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This regulatory provision, section 2376(b)(2), is designed to aid the statutory objective of increasing consumer convenience and access for CRV redemption to increase California's recycling rates to 80% and reduce litter. The provision is reasonable because a public comment process allows the public, particularly communities that the proposed stewardship plan is intended to include, to voice any questions, comments, or concerns it has about the proposed stewardship plan and allows CalRecycle to request any additional information from the dealer cooperative in regard to the stewardship plan that might be necessary for the community in which it is meant to serve. This regulatory provision does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.
C- 3 -64	[Subchapter 4.5 Art. 3] Stewardship Plan	2376. Stewardship Plan Review and Approval or Disapproval; Operational Notice	Website	Jeff Donlevy	Jeff Donlevy	Section 2376 (a) & (d)(2) – pg.15 Additional information, Plan does not Comply – In the event that the department has questions regarding the dealer cooperative plan, the department should make the request to the cooperative within 30 days of submittal. Allowing the department to take 90 days plus an additional 30 days to notify the dealer cooperative, the consumers are harmed with the delays and lack of new redemption opportunities. The statement of reason attempts to justify the additional time based on hypothetical workload assumptions with no basis or historical reference.	CalRecycle accepts this comment to the extent it requests a shortened timeline. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to the deadline for submitting additional information after stewardship plan submission. The proposed regulation text has been amended to require additional information requested to be submitted within 10 days of CalRecycle's request.
C- 3 -65	[Subchapter 4.5 Art. 3] Stewardship Plan	2376. Stewardship Plan Review and Approval or Disapproval; Operational Notice	Website	Jeff Donlevy	Jeff Donlevy	Section 2376 (c) – pg. 15 Sole Discretion – This is a burdensome statement of opinion and not a quantifiable regulation. It is understood that all participants must apply through the department and the departments' role is to approve the dealer cooperative plans. The statement of reasons continues to demonstrate the department wanting to put their wants and desires in the forms of regulations that are not authorize in the Act	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to approval criteria. The following changes have been made: the phrase "sole discretion" has been deleted, and the language rephrased to require CalRecycle to approve a stewardship plan if the stewardship plan meets all applicable requirements of the Act and this chapter.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -66	[Subchapter 4.5 Art. 3] Stewardship Plan	2377. Stewardship Plan Updates	Website	Jeff Donlevy	Jeff Donlevy	Section 2377 (b)(2) – pg. 16 Rejection of Plan Updates – Lacks authority and un-necessary.	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This regulatory provision, section 2377(b)(2), is designed to aid the statutory objective of increasing consumer convenience and access for CRV redemption to increase California's recycling rates to 80% and reduce litter. The provision is reasonable because it ensures that stewardship plans are not only up-to-date but also effective and in compliance with current standards and requirements. Stewardship plans that are up-to-date, effective, and in compliance with current standards and requirements increase consumer convenience and access for CRV redemption. This regulatory provision does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.
C- 3 -67	[Subchapter 4.5 Art. 3] Stewardship Plan	2377. Stewardship Plan Updates	Website	Jeff Donlevy	Jeff Donlevy	14578 nor 14578.5 reference a five- year review of cooperative redemption plans. The department is attempting to grant themselves authority when the legislation does not provide it.	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This regulatory provision, section 2377, is designed to aid the statutory objective of increasing consumer convenience and access for CRV redemption to increase California's recycling rates to 80% and reduce litter. The provision is reasonable because it ensures that CalRecycle has the most current information regarding a dealer cooperative stewardship plan so as to ensure the plan continues to meet the goals and requirements set forth by the Act and regulations. Five years is reasonable because it is a balanced approach between maintaining an up-to-date plan and not overburdening the dealer cooperative with frequent reviews. It does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -68	[Subchapter 4.5 Art. 3] Stewardship Plan	2377. Stewardship Plan Updates	Website	Jeff Donlevy	Jeff Donlevy	The statement of reason clearly states the regulation is to provide the department with authority not authorized in the act. The statement of reason is stating the authority by referencing section 2377(c) that is an unadopted regulation. The regulations cannot be used by staff to satisfy their wants and needs. This provision is not focused on convenient redemption, rather than power, authority, and enforcement by department staff. The Department should, and are required, to focus on approving plans, not defining their authority to reject at their sole discretion.	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This regulatory provision, section 2377, is designed to aid the statutory objective of greater consumer convenience and access for CRV redemption. The provision is reasonable because it ensures that CalRecycle has the most current information regarding a dealer cooperative.
C- 3 -69	[Subchapter 4.5 Art. 3] Stewardship Plan	2377. Stewardship Plan Updates	Website	Jeff Donlevy	Jeff Donlevy	Section 2377 (c) – pg. 16 Rejection of Plan Updates – Lacks authority to require six months' notice for plan updates.	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This regulatory provision, section 2377(c), is designed to aid the statutory objective of greater consumer convenience and access for CRV redemption. The provision of a six-month timeline is reasonable because it allows CalRecycle enough time to review and consider the proposed updates and, if necessary, require the dealer cooperative to resubmit the updated plan with any requested revisions within the timelines prescribed by section 2376. This ensures a dealer cooperative stewardship plan continues to meet the goals and requirements set forth by the Act and regulations. It does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -70	[Subchapter 4.5 Art. 3] Stewardship Plan	2377. Stewardship Plan Updates	Website	Jeff Donlevy	Jeff Donlevy	In the statement of reasons, the department is attempting to grant the department the authority to say that plan updates are only 'proposed' changes, when any and all updates should inform the department of changes to the plan.	CalRecycle rejects this comment. With regard to notifying CalRecycle of updates and changes to a dealer cooperative stewardship plan, this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. To the extent that changes submitted by the five-year review deadline specified in section 2377(a) are proposed changes, CalRecycle shall review and approved or disapprove the updated stewardship plan; if the plan is approved, the proposed changes shall be put into effect by the dealer cooperative pursuant to section 2377(d). It is unreasonable for stewardship plan changes to go into effect without CalRecycle review and approval because this could lead to a dealer cooperative operating unlawfully out of compliance with SB 1013, and contrary to PRC section 14578(a)(2), which states that a dealer cooperative must have an approved and operational plan in order to be in compliance with the law.
C- 3 -71	[Subchapter 4.5 Art. 3] Stewardship Plan	2378. Stewardship Plan Changes and Notification	Website	Jeff Donlevy	Jeff Donlevy	Section 2378 (a) – (c) – pg. 17 Plan Changes and Notifications – These sections are burdensome, costly and will delay changes that could provide greater convenience to consumer redemption. The is an overreach of 14530.5. The statement of reasons sites no authority and only attempts to provide the department guidelines on how the process could work well for the department, rather than the cooperative. The section has merit; however, staff should re-write the regulations to allow for a more efficient process for the cooperative to notify the department of changes to the plan. Changes to the plan should be notified and accepted with 15 days.	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to the process for dealer cooperatives to notify the department of changes to a stewardship plan. The following changes have been made: changes to a stewardship plan require either a 30-day notice before the change, 30-day notice after the change, or proposed change submitted to CalRecycle for approval; the type of notification depends on the nature of the change, as will be outlined in section 2378.
C- 3 -72	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2380. Recordkeeping	Website	Jeff Donlevy	Jeff Donlevy	Section 2380 (a)(1) – pg. 17 Recordkeeping - GAAP – This lacks authority, see comment 2370 (f) above.	CalRecycle accepts the commenter's suggestion to delete the definition of GAAP and has deleted all usage of "GAAP" from the regulation text. This change does not affect the scope of the regulatory text.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -73	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2380. Recordkeeping	Website	Jeff Donlevy	Jeff Donlevy	Section 2380 (c)(1)-(5) – pg. 18 Non-Program Material, Scrap – Lacks authority, burdensome, and costly. This section will confuse consumers and implies that dealer cooperatives will accept non-program material. This section has no authority to require cooperative redemption locations to receive non-program material. This could lead to confusion with redemption site staff at dealer locations when handling dealer scrap material generated by the dealer. While comparable to the regulations for recycling centers, this a burdensome and costly requirement. The statement of reasons lists no authority, only the departments desires to assist with identifying non-program material, failure to properly inspect or pay redemption value. These regulations should be stricken and address in Operations or Load inspections.	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This regulatory provision, section 2380(c)(1-5), is designed to aid the statutory objective of fraud prevention. The provision is reasonable because a dealer cooperative needs to maintain records of any material it received for which the refund value was not paid in the case of an audit or investigation during which CalRecycle must verify that payments were not unlawfully made for ineligible material. This provision does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.
C- 3 -74	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2381. Reporting	Website	Jeff Donlevy	Jeff Donlevy	Section 2381 (a)(1) & (2) – pg. 19 Reporting –Authority has been given by 14578.5(c)(6) for monthly reporting of material redeemed in the past month. It should be noted that the department is collecting material information daily through the DORIIS system. The statement of reason shows the department is attempting to rewrite the legislation by stating, the Act 'suggest', when it clearly states 'provide reports for material redeemed in the past month.	CalRecycle rejects this comment. With regard to PRC section 14578.5(c)(6) authorizing CalRecycle to require reports from dealer cooperatives, this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. To the extent that PRC section 14578.5(c)(6) suggested an example of monthly reports, there is no statutorily mandated minimum or maximum frequency. Quarterly reporting is necessary to balance the need to receive information regularly from dealer cooperatives without overburdening dealer cooperatives.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -75	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2381. Reporting	Website	Jeff Donlevy	Jeff Donlevy	Section 2381 (a)(3) – pg. 19 Reporting – This section is not authorized by the Act. The department lacks authority, this is burdensome, and costly. The department lacks authority to require a private entity not receiving public funds to comply with section 7405 of the Government Code, these are requirements for government agencies or those using government funds.	CalRecycle rejects this comment. Imposing requirements in regulation that are not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This regulatory provision, section 2381(a)(3), is necessary to aid the statutory objective of increasing consumer convenience. The provision is reasonable because imposing accessibility requirements on the submitted reports is necessary to ensure that the information is accessible to all individuals, including those with disabilities, thereby promoting inclusivity and community access to the information. The regulatory provision, section 2381(a)(3), does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.
C- 3 -76	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2381. Reporting	Website	Jeff Donlevy	Jeff Donlevy	Section 2381 (b)(1)(D) – pg. 19 Reporting – This section is an overreach of section 14530.5 and gets the department too deep into the cooperative business activity with no value or benefit added to the cooperative to increase convenient redemption. This overreach is to gather information more in line with a solid waste agreement where the service providers are paid for service. The department needs to remember the cooperatives are voluntary organizations providing a free convenient service to consumers.	CalRecycle rejects this comment. Imposing requirements in regulation that are not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This regulatory provision, section 2381(b)(1)(D), is necessary to aid the statutory objective of fraud prevention and compliance with the consumer convenience requirements. The provision is reasonable because it allows CalRecycle to ensure that materials collected by a dealer cooperative's stewardship program are being handled according to the Act and regulations and that the dealer cooperative is operating in accordance with its approved stewardship plan and achieving the quarterly performance standards. It does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -77	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2381. Reporting	Website	Jeff Donlevy	Jeff Donlevy	Section 2381 (b)(1)(E) – pg. 20 Reporting – This lacks authority in the Act and is an overreach of 14530.5. The dealer cooperatives will have members that are dealers that are experts in customer communication, marketing, and outreach. This is burdensome and not comparable to the requirements of other program participants including recycling centers, Processors, or dealers not members of a dealer cooperative. This request injects staff into the judgement of the performance of the plan without authority. Department staff should focus on containers collected. In the statement of reason, staff references the necessity to provide information to assess the effectiveness of the of the cooperative's performance. These attempted injection legislative requests are more in tune with a franchise agreement for an exclusive solid waste agreement. Again, staff is trying to get to involved with the choices of the operation of the cooperatives and attempting to be the legislative body that approve exclusive agreements that would justify such requests. The dealer cooperative are not exclusive agreements where the state is compensating the cooperative for service. Section 2375.1 (b)(30 should be stricken in its entirety.	CalRecycle rejects this comment. Imposing requirements in regulation that are not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. CalRecycle disagrees with the removal of these provisions: sections 2375.1(b)(3) and 2381(b)(1)(E). The regulatory provisions in section 2375.1(b)(3) and section 2381(b)(1)(E) are designed to aid the statutory objective of increasing consumer convenience and access to CRV redemption to increase California's recycling rates to 80% and reduce litter. Section 2375.1(b)(3), posting the redemption component of a report to an internet website, is reasonable because it allows the public to learn what services are offered in each area and how the redemption method(s) employed by the dealer cooperative are functioning, which is necessary to effectuate the Act's requirement that dealer cooperatives provide convenient consumer redemption. The provision in section 2381(b)(1)(E) is reasonable because it provides CalRecycle with the information needed to assess the effectiveness of the education and outreach within the stewardship programs of different dealer cooperatives and to ensure that the public is aware of those programs. These provisions do not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.
C- 3 -78	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2381. Reporting	Website	Jeff Donlevy	Jeff Donlevy	Section 2381 (b)(2) – pg. 20 Reports are Public Records – This lacks authority and violates section 14554 that protects business information. This is not comparable nor required by other program participants. The Department is trying to insert legislative language to have cooperative waive their rights to maintain business information protected. The coops are not charging rate payers, nor receiving public funds that would justify such a requirement with the possibility of multiple coops, the individual reports should be considered and protected business records. This requirement should be stricken.	CalRecycle rejects this comment. Imposing requirements in regulation that are not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. CalRecycle disagrees with the removal of this provision. This provision, section 2381(b)(2), clarifies that the redemption component of the quarterly report of a dealer cooperative shall not constitute a record that is exempt from disclosure under the California Public Records Act or section 14554 of the Act and is necessary to aid the statutory objective of increasing consumer convenience and access for CRV redemption to increase California's recycling rates. The provision is reasonable because by reporting this information and by CalRecycle making the information publicly available, registered dealers that are not members of a dealer cooperative and consumers can see how well a dealer cooperative is operating so they can make better informed decisions on whether to become a dealer cooperative member or where to take their beverage containers for redemption, respectively. Furthermore, dealer cooperatives are required by statute to be 501(c)(3) organizations, whose operation is allowed because no recycling center is located or wants to be located in that convenience zone. Publishing this data, unlocks it and allows members of the public to analyze what factors about these convenience zones causes them to be unserved. Thus, providing possible solutions to increase convenience of redemption opportunities to the public in the future.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
							The provision is also reasonable because it contains the caveat that the information is not a public record if an exemption otherwise applies under existing law. The provision does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.
C- 3 -79	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2381. Reporting	Website	Jeff Donlevy	Jeff Donlevy	Section 2381 (b)(3) – pg. 20 Post Reports on Website – This lacks authority, is burdensome, and costly. This is not a comparable requirement of other program participants. The cooperatives are not receiving public funds that would justify such a requirement. This requirement should be stricken.	CalRecycle rejects this comment. Imposing requirements in regulation that are not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. CalRecycle disagrees with the removal of this provision. Section 2381(b)(3), posting the redemption component of a report to an internet website, is reasonable because it allows the public to learn what services are offered in each area and how the redemption method(s) employed by the dealer

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -80	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2381. Reporting	Website	Jeff Donlevy	Jeff Donlevy	Section 2381 (c)(1)-(5) – pg. 20 Operational Reports – This lacks authority, is burdensome, and increases the cost of operating the cooperative. Information requested in Section 2381 (c)(3) is protected by the Act section 14554. The information requested by the department will be provided to the department on an ongoing basis by material delivered to Processors will be reported thru the departments Doris system that track containers redeem by redemption locations with identification numbers issued by the department.	CalRecycle rejects this comment. Imposing requirements in regulation that are not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This regulatory provision, section 2381(c)(1-5) is necessary to aid the statutory objective of increasing consumer convenience and access for CRV redemption while reducing fraud. The provision is reasonable and authorized by statute because PRC section 14578.5(c)(6) mandates that dealer cooperatives provide reports containing any relevant information CalRecycle requests in the form and manner that CalRecycle prescribes. PRC section 14554 does not prohibit CalRecycle from requiring the information in section 2381(c)(3) from being reported. This regulatory provision does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.
C- 3 -81	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2381. Reporting	Website	Jeff Donlevy	Jeff Donlevy	The department would be the agency issuing any Violations subject to section 2386, so to ask the cooperative to report that it received a violation to the agency that issued the violation is burdensome, costly, and un-necessary to help the department perform their duties. For the department to request this information a second time, is burdensome and costly.	CalRecycle rejects this comment. Requiring dealer cooperatives to report the receipt of a Notice of Violation, along with how the dealer cooperative plans to correct, or has already corrected, the underlying behavior for which the Notice of Violation was issued, is necessary to ensure a dealer cooperative is operating in compliance with the Act and regulations. PRC section 14578(a)(2)(A) requires that a dealer cooperative plan shall be approved by CalRecycle and operational in order for dealers in that convenience zone to be in compliance. Reporting a Notice of Violation and describing the planned or executed corrective action in response to the Notice of Violation is necessary to effectuate this statutory provision because it allows CalRecycle to assess whether the dealer cooperative is taking steps to address associated problems that would affect the dealer cooperative's compliance with the Act and regulations and is operating in accordance with its approved stewardship plan.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -82	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2381. Reporting	Website	Jeff Donlevy	Jeff Donlevy	In the statement of reasons, the department is requesting information to help the department to understand revenue and expenditures so department staff can understand how to do their jobs is not the responsibility of the cooperative. The requests to examine costs and revenues are protected under section 14554. For staff to request this information related to the total number of containers redeemed could indicate that the department staff could engage in discussion regarding the cooperative expending more money or paying higher scrap values to entice higher redemption activity. This requirement is not required of other program participants, thus places the cooperatives at a higher level of scrutiny, and costs, than other participants.	CalRecycle rejects this comment. Section 2381 is necessary to increase consumer convenience and access for CRV redemption to increase California's recycling rates to 80%. PRC section 14578.5(c)(6) requires that the dealer cooperative provide reports such as the amount of empty beverage containers and any other relevant information in the form and manner prescribed by CalRecycle. PRC section 14578.5(f) also requires CalRecycle to conduct audits of each dealer cooperative every 24 months to ensure payments to consumers and fees from dealers are being utilized for the operation of the approved stewardship plan. Having dealer cooperatives report expenditures and revenues is necessary to effectuate this statutory provision because it will allow CalRecycle to accurately and equitably conduct audits on all dealer cooperatives to ensure that dealer cooperative funds are lawfully being utilized on the approved stewardship plan.
C- 3 -83	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2381. Reporting	Website	Jeff Donlevy	Jeff Donlevy	The statement of reason points to the authority in sections 14578.5(c)(4) which references the plan being 'operational and fully implemented' which the department has based on information already provided, and 14578.5(c)(6) that requests information on containers redeemed, not sold. Requesting this information is an overreach of section 14530.5.	CalRecycle rejects this comment. Imposing requirements in regulation that are not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. The regulatory provision in section 2381(c)(3) is designed to aid the statutory objective of increasing consumer convenience and access for CRV redemption to increase California's recycling rates to 80%. The provision is reasonable because it requires dealer cooperatives to report the number of beverages in beverage containers cumulatively sold by their dealer members, which is necessary information to ensure that the dealer cooperative both has the capability to redeem 100 percent of the beverage containers sold by its dealer members and that it redeems 80 percent of the beverage containers sold by its dealer members. It does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -84	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2381. Reporting	Website	Jeff Donlevy	Jeff Donlevy	Section 2381 (d)(1)-(3) – pg. 20 Operational Reports – This lacks authority and contradicts section 14578.5(g) and section 14591.1 that states the department 'may' assess civil penalties for violations. It is understood that the cooperatives are required to provide reports, however for the department to install legislative language that mandates an incomplete report 'is' a violation demonstrates the department is more concerned about violations and enforcement activity, rather than assisting stakeholders as identified in section 14501(f). The statement of reason is inconsistent and lacks clarity with regards to the language in section 2381 (d)(1) that states incomplete report 'is' a violation, while the statement of reason states an incomplete report 'may' be subject to enforcement.	CalRecycle rejects this comment. Imposing requirements in regulation that are not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This regulatory provision, section 2381(d), is necessary to aid the statutory objective of PRC section 14578.5 (b)(1), to promulgate regulations necessary for the enforcement of dealer cooperatives. The provision is reasonable because it ensures CalRecycle receives accurate and complete reporting from operating dealer cooperatives. The comment misstates that the provision requires CalRecycle to impose civil penalties – the provision only states that an incomplete report is a violation of the section. The provision does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.
C- 3 -85	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2382. Dealer Cooperative Operation	Website	Jeff Donlevy	Jeff Donlevy	Section 2382 (a) – pg. 21 Dealer Cooperative Operations – Regulations for redemption sites should be comparable to section 2500 that addresses Operation Standards for Recycling Centers. 2382 (a) is statement, rather than a regulation, that opens the cooperative plan to interpretation, thus subject to enforcement actions by the department.	CalRecycle accepts this comment. The following changes have been made: the previous stewardship plan contents have been divided into four separate sections, including 2375.2 Stewardship Plan Informational Contents, 2375.4 Stewardship Plan Substantive Contents, 2375.6 Stewardship Plan Performance Standards, and 2375.8 Stewardship Plan Budget. This provision has been revised to reflect a narrower scope of required compliance with the stewardship plan.
C- 3 -86	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2382. Dealer Cooperative Operation	Website	Jeff Donlevy	Jeff Donlevy	It was previously addressed that the Act 14578.5(a) suggested that the department provide one or more model redemption plans, which the department has yet to provide one or more acceptable model plans for cooperatives to reference.	CalRecycle rejects this comment. With regard to CalRecycle's development of a model template plan, this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. CalRecycle will release a final model plan once the regulations are final to aid dealer cooperatives with plan development.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -87	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2382. Dealer Cooperative Operation	Website	Jeff Donlevy	Jeff Donlevy	Section 2382 (b) – pg. 21 Separate Non-Program Material – Lacks authority, burdensome, costly, and not comparable to section 2500 nor the requirements of dealers not members of dealer cooperatives. In the statement of reason, the department does not reference authority to mandate that dealer redemption site keep non-program separate from program material. Standard industry practice is to have like material collected and stored in the same bins or containers. The redemption sites must follow proper procedures for inspection, redemption, and recordkeeping, including non-redemption material that are separate regulations. The department indicates their wishes and desires to implement anti-fraud measures, that would require legislation, by adopting a burdensome and costly regulation only for dealer cooperative through emergency regulations.	CalRecycle rejects this comment. This provision provides specific operation standards unique to this new beverage container recycling entity and is necessary to prevent fraud by accidental and intentional redemption of ineligible material. The provision also supports compliance with the Act's prohibition on paying the refund value for ineligible material by specifying the handling requirements in the case that a consumer leaves ineligible material on site. Making dealer cooperative operation provisions the same as recycling center provisions in section 2500 is not necessary and is contrary to the intent of SB 1013. CalRecycle notes that this provision is comparable although not identical to pilot project operational requirements established in 14 CCR 2768(j). This is in compliance with PRC section 14578.5(c)(1), which requires dealer cooperatives to have "comparable consumer convenience to the requirements of Section 14571 and include, but are not limited to, pilot projects described in Section 14571.9."
C- 3 -88	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2382. Dealer Cooperative Operation	Website	Jeff Donlevy	Jeff Donlevy	Section 2382 (d) – pg. 21 Violation of Sec 14597 – Lacks authority and clarity. The department has been requested a public records request to provide a list of in-eligible individuals subject to section 2382(d), the department has failed to provide this information. This section should be stricken and then Cal Recycle can use Section 2030 when reviewing prior history of an applicant or operator.	CalRecycle rejects this comment. This provision provides specific operation standards unique to dealer cooperatives, a new beverage container recycling entity, and is necessary to prevent fraud within the BCRP. Section 2030 includes procedures for CalRecycle to review recycling center applications based on PRC section 14538. Making dealer cooperative operation provisions the same as recycling center provisions is contrary to the Act's separate treatment of the two distinct recycling entities. There is no statutory or regulatory procedure for redemption contractor or operator certification for CalRecycle to implement; therefore, the responsibility of ensuring these contractors are individuals without prior fraudulent history with the BCRP must be placed on dealer cooperatives. It is also in the best interest of the dealer cooperative to vet these individuals to protect their dealer members and ensure the stewardship program operates in compliance with the Act and regulations.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -89	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2382. Dealer Cooperative Operation	Website	Jeff Donlevy	Jeff Donlevy	Section 2382 (f) & (g) – pg. 21 More than one dealer cooperative in a zone – Lacks authority. These items should be legislative language due to the lack of clarity in the Act. The Act is silent on how many cooperatives can be in a zone, it says they may operate in unserved zones. The Act does indicate that a dealer member of a cooperative is in compliance with the act. These items should be stricken from the draft regulations.	CalRecycle rejects this comment. Imposing requirements in regulation that are not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. The provision allowing multiple dealer cooperatives to operate in the same unserved convenience zone is designed to aid the statutory objective of increasing consumer convenience and providing flexibility of standards for dealer members to comply with their legal obligations. The provision is reasonable because the nature of dealer cooperatives is a voluntary option for dealers under PRC section 14510.2. Their legal obligation under PRC section 14578(a) is to redeem in-store or to join a dealer cooperative. If the dealer cooperative formed by other members in the unserved zones is for any reason undesirable for a dealer member to join, then that dealer member can form their own dealer cooperative. Restricting the number of dealer cooperatives in a single unserved convenience zone thereby removes their voluntary choice to either redeem or join a dealer cooperative. It does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.
C- 3 -90	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2382. Dealer Cooperative Operation	Website	Jeff Donlevy	Jeff Donlevy	Section 2382 (h) – pg. 21 Termination of members – Lacks authority. The Act provides guidelines for dealer cooperatives to be certified 501(c)(3) organizations registered with the California Secretary of State. The department does not have authority to suggest or mandate how membership in a private organization is maintained or terminated. This section should be stricken.	CalRecycle rejects this comment. Imposing requirements in regulation that are not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. Allowing dealer cooperatives the ability to terminate dealer membership is designed to aid the statutory objective of increasing consumer convenience and providing flexibility of standards for dealer members to comply with their legal obligations. The provision is reasonable because the autonomy to terminate dealer members gives dealer cooperatives authority to encourage compliance with the stewardship plan, as well as the flexibility to remove problematic dealers without having to disband and reform a new dealer cooperative with different dealer members. It also complies with PRC section 14510.2, which provides that dealer cooperatives are voluntary. The provision does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -91	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2382. Dealer Cooperative Operation	Website	Jeff Donlevy	Jeff Donlevy	Section 2382 (i) - pg. 21 Six Months' Notice – Lacks authority, burdensome, and costly. This requirement is not authorized by the Act and would force the cooperative to maintain reserves or a bond to cover six months operational costs. This is not required of other program participants, thus not comparable. The statement of reasons attempts to protect dealer members to provide time to find or form another cooperative. The business environment, especially the recycling business, can be volatile and unpredictable causing operations to cease in less than six months. This is more in line with a requirement for a solid waste agreement than a recycling service provider. This section should be stricken.	CalRecycle rejects this comment. Imposing requirements in regulation that are not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. The minimum six-month notice prior to dealer cooperative dissolution or ceasing operation is designed to aid the statutory objective of preventing reduced redemption access and convenience for consumers. The provision is reasonable because the six-month timeframe provides enough time for dealer members to join another dealer cooperative or redeem in store and gives CalRecycle enough time to review any stewardship plans responding to the upcoming dissolution. The comment misstates that the provision requires a dealer cooperative to have six months financial reserves. It is reasonable for a nonprofit corporation that receives dealer cooperative fees from its members to know at least six months in advance of when it will dissolve or cease operation to give the dealer members time to make alternate arrangements. It does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.
C- 3 -92	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2382. Dealer Cooperative Operation	Website	Jeff Donlevy	Jeff Donlevy	Section 2382 (j) – pg. 21 Not Required to accept non-program material – Lacks authority and inconsistent with other sections. This also contradicts the sections requiring separate recordkeeping and handling of non-program material. This is not a comparable standard or requirement of recycling centers.	CalRecycle rejects this comment. Dealer cooperatives being able to reject ineligible material and barring them from paying any refund value for ineligible material is necessary to achieve the statutory mandate of preventing beverage container recycling fraud and increasing redemption convenience for consumers. The provision is reasonable because it clarifies that even though a dealer cooperative must report certain information regarding ineligible material it receives and potentially pays the scrap value for, a dealer cooperative is in no way required to accept that ineligible material and is not permitted to pay the refund value for that ineligible material. This provides dealer cooperatives with the flexibility to make their own operational decisions while also complying with the provisions of the Act and these proposed regulations.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 3 -93	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2382. Dealer Cooperative Operation	Website	Jeff Donlevy	Jeff Donlevy	Section 2382 (k) – pg. 21 Ship Material to Processor – Lacks authority, costly, increases confusion, and restricts options for dealer cooperative and denies recycling centers the ability to provide services to dealer cooperative. This section is an attempt to override legislation and entitle cooperatives payments from Processors while overriding section 2401 Load Inspection Requirements for Processors. This section increases confusion by entitling cooperative payments when the inspection and determination of eligibility is the responsibility of the Processors. The department has no authority to restrict the shipment of material to only Processors and not include coops the ability to utilize recycling centers. In some cases, the dealer cooperative could be economically better to use a local recycling center, as allowed dealers in section 14578(a)(C). The statement of reason indicates that the department is trying to change the language of 14578.5(d)(1) from 'may' to 'shall'. The department has no authority to change legislative language via regulations.	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to approved entities that dealer cooperatives can ship their material to and receive payment. The following changes have been made: this provision has been deleted from the proposed regulation text.
C- 4 -1	Comment Letter		Website	Joe Perez	Waste Stream Solutions	<p>To Whom It May Concern,</p> <p>Please accept these comments on behalf of Waste Stream Solutions regarding the proposed draft regulations for SB 1013 Grocer Cooperatives.</p> <p>Waste Stream Solutions is actively engaged in collaborating with grocers and CZ Recycling Operators to reintroduce redemption services to California consumers, particularly following the closure of rePlanet in 2019. We are committed to supporting the development, implementation, and rollout of grocer cooperatives at the earliest opportunity.</p> <p>We appreciate the opportunity to provide feedback on the proposed draft regulations for SB 1013 Grocer Cooperatives on behalf of Waste Stream Solutions. Our comments address specific areas of concern and recommendations for amendment before final adoption:</p> <ol style="list-style-type: none"> 1. Eliminate Unauthorized Regulation: We strongly urge the removal of the unauthorized regulation that grants the Department the discretion to award an exclusive monopoly to a dealer cooperative in unserved zones. Denying certification of new recycling centers in these zones, solely because one dealer is providing redemption services as part of a cooperative, stifles competition and choice for consumers. 2. Streamline Application Process: The current application process for dealer cooperatives is overly complex and time-consuming. We recommend streamlining and simplifying the process to ensure efficiency and encourage participation. Specifically: <ul style="list-style-type: none"> - Implement a policy and dedicate staff to approve dealer cooperative plans or changes within 30 days to expedite the process. - Many requested items are unnecessary, burdensome, and potentially reveal sensitive business information. Simplifying requirements will reduce the time and costs associated with forming a cooperative. 3. Define Sufficient Redemption Locations: The Department should establish clear criteria for sufficient redemption locations provided by dealer cooperatives. Each location should have the capacity to redeem 500,000 containers per month to adequately serve consumer needs. 4. Comparable Regulations for Non-Cooperative Dealers: It's essential to ensure parity in regulations between dealers not joining cooperatives and recycling centers or cooperative members. This includes: <ul style="list-style-type: none"> - Record-keeping and reporting obligations. - Mandating segregated material delivery to a recycling center or processor. - Prohibiting CRV and processing payments for material received by non-member dealers. - Preventing commingling or processing of material with other program material. - Requiring the delivery of material to the nearest recycling center or processor. 5. Maintain Department Responsibility for Outreach: The Department should retain responsibility for outreach and promotion of the CRV program, rather than delegating these tasks solely to dealer cooperatives. Comparable regulations should apply to all CRV program participants. Specifically: <ul style="list-style-type: none"> - Requiring separate outreach from dealer cooperatives may lead to confusion and inefficiencies. - The Department possesses the resources and infrastructure to maintain and promote the CRV program consistently, including all redemption locations, through a unified platform, app, and messaging. <p>Thank you for considering our feedback. We believe these amendments are crucial for the successful implementation of SB 1013 and the establishment of effective grocer cooperatives in California.</p> <p>Sincerely,</p> <p>Joe Perez Principal Waste Stream Solutions 949-393-0701</p>	

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 4 -2	[Subchapter 2 Art. 1] Certification Application Procedures	2030. Review of Applications	Website	Joe Perez	Waste Stream Solutions	1. Eliminate Unauthorized Regulation: We strongly urge the removal of the unauthorized regulation that grants the Department the discretion to award an exclusive monopoly to a dealer cooperative in unserved zones. Denying certification of new recycling centers in these zones, solely because one dealer is providing redemption services as part of a cooperative, stifles competition and choice for consumers.	CalRecycle rejects this comment. Imposing requirements in regulation not set out in statute does not necessarily violate the Administrative Procedure Act's standard of consistency (Gov. Code section 11349(d)). Creating requirements through regulation is inherently part of the rulemaking process so long as the requirements are reasonably designed to aid a statutory objective and do not conflict with or contradict any statutory provision. This regulatory provision, 2030(g)(9), is designed to aid the statutory objective of creating greater consumer convenience in an unserved zone. A dealer cooperative will provide redemption throughout the unserved zone, which would achieve the objectives of SB 1013. The provision is reasonable because if recycling centers are certified in an unserved zone with a fully operational dealer cooperative, this would make the dealer cooperative ineligible to receive program payments to recoup their investment in that zone and would not achieve the goals and objectives identified in SB 1013. It does not conflict with or contradict any statutory provision within the California Beverage Container Recycling and Litter Reduction Act.
C- 4 -3	[Subchapter 4.5 Art. 3] Stewardship Plan	2376. Stewardship Plan Review and Approval or Disapproval; Operational Notice	Website	Joe Perez	Waste Stream Solutions	2. Streamline Application Process: The current application process for dealer cooperatives is overly complex and time-consuming. We recommend streamlining and simplifying the process to ensure efficiency and encourage participation. Specifically: - Implement a policy and dedicate staff to approve dealer cooperative plans or changes within 30 days to expedite the process.	CalRecycle rejects this comment. The deadline of 90 days for the review process of stewardship plans is necessary for CalRecycle to complete a comprehensive review of a stewardship plan and responsibly decide whether to approve or disapprove of the stewardship plan. Requiring less time for this process would not provide adequate time for CalRecycle to responsibly review and approve or disapprove of a stewardship plan, considering the numerous amount of dealers, and potentially dealer cooperatives, across the state. A 90-day period balances the need to give CalRecycle enough time to review a stewardship plan with the necessity to give dealer cooperatives a response on whether their stewardship plan is approved or disapproved within a reasonable timeframe.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 4 -4	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Joe Perez	Waste Stream Solutions	- Many requested items are unnecessary, burdensome, and potentially reveal sensitive business information. Simplifying requirements will reduce the time and costs associated with forming a cooperative.	CalRecycle rejects this comment. With regard to the stewardship plan content requirements this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. To the extent that the requirements are unnecessary, burdensome, or reveal sensitive information, the requirements outlined are necessary to effectuate the statutory goal of achieving an 80% recycling rate as stated in section 14501(c) of the Act.
C- 4 -5	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Joe Perez	Waste Stream Solutions	3. Define Sufficient Redemption Locations: The Department should establish clear criteria for sufficient redemption locations provided by dealer cooperatives. Each location should have the capacity to redeem 500,000 containers per month to adequately serve consumer needs.	CalRecycle partially accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to defining consumer convenience. The following changes have been made to the regulation text: the addition of a definition defining "consumer convenience that is comparable to the requirements of section 14571 and section 14571.9 of the Act" with quantifiable minimum hours of operation. CalRecycle rejects the commenter's proposed method of quantifying target capacity because it assumes equal distribution of dealers per dealer cooperative and does not take into account the limitations of smaller or more rural cooperatives that have lower sales of beverage containers compared to other high volume dealers.
C- 4 -6	[Subchapter 4.5 Art. 2] Dealers	2373. Dealer Redemption Requirements	Website	Joe Perez	Waste Stream Solutions	4. Comparable Regulations for Non-Cooperative Dealers: It's essential to ensure parity in regulations between dealers not joining cooperatives and recycling centers or cooperative members. This includes: - Record-keeping and reporting obligations. - Mandating segregated material delivery to a recycling center or processor. - Prohibiting CRV and processing payments for material received by non-member dealers. - Preventing commingling or processing of material with other program material. - Requiring the delivery of material to the nearest recycling center or processor.	CalRecycle rejects these comments. The scope of this rulemaking is limited to dealer registration and dealer cooperatives. PRC section 14578(a)(1)(A) requires that dealers within an unserved convenience zone redeem all empty beverage container types on the dealer's premises if not a member of a dealer cooperative, and PRC section 14578.5(b) requires CalRecycle to adopt regulations with the registration process for dealers; further regulation on dealers not included in dealer cooperatives is beyond the scope of this rulemaking.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 4 -7	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Joe Perez	Waste Stream Solutions	5. Maintain Department Responsibility for Outreach: The Department should retain responsibility for outreach and promotion of the CRV program, rather than delegating these tasks solely to dealer cooperatives. Comparable regulations should apply to all CRV program participants. Specifically: - Requiring separate outreach from dealer cooperatives may lead to confusion and inefficiencies. - The Department possesses the resources and infrastructure to maintain and promote the CRV program consistently, including all redemption locations, through a unified platform, app, and messaging.	CalRecycle rejects this comment. The requirement of dealer cooperatives to provide outreach and education is necessary to increase consumer convenience and access. PRC section 14578.5(c)(1) requires that dealer cooperatives' redemption programs provide sufficient redemption opportunities and comparable convenience to the requirements of Section 14571 and the outreach and education stewardship plan requirement is necessary to effectuate this statutory provision because the Act has placed the responsibility of providing convenience onto the dealer cooperatives, and for redemption opportunities to be considered convenient, consumers must be made aware. With regard to imposing identical requirements on dealer cooperatives as recycling centers, dealer cooperatives are a separate recycling entity, and thus making dealer cooperative operation provisions the same as recycling center provisions is not necessary and is contrary to the intent of SB 1013. With regard to CalRecycle promoting all redemption locations equally on CalRecycle's website, this is not required through regulation because CalRecycle already has this authority.
C- 5 -1	[Subchapter 6 Art. 2] Handling Fees	2516. Eligibility Criteria	Website	Valerie Lake	One Earth Recycling	Please make it clear that formation of a dealer cooperative will not change the HFE status of an existing recycling center that is receiving handling fees. Recycle centers rely on HFs to be solvent. If dealer cooperatives eliminate HFE for recycle centers, then the centers will go out of business. Consumers should have choices on where they recycle. More recycling options makes it more convenient to consumers. Eliminating HFEs will reduce recycling options, make it less convenient to consumers, and kill recycling center's business. Please do not do this.	CalRecycle rejects this comment. With regard to handling fee eligibility for existing certified recycling centers, CalRecycle need not make the suggested change because dealer cooperatives are statutorily limited to operating only in unserved convenience zones pursuant to PRC sections 14578 and 14578.5. Therefore, a dealer cooperative will not make any existing recycling center ineligible for handling fees. Additionally, dealer cooperatives are only eligible for handling fee payments if there is not a certified recycling center operating in the same zone pursuant to PRC section 14578.5(d)(1).

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 6 -1	[Subchapter 4.5 Art. 2] Dealers	2373. Dealer Redemption Requirements	Website	Valerie Lake	One Earth Recycling	<p>Please clarify if an unserved dealer can work with a recycling center to provide a bag drop service in the dealer's zone and then be considered served by that recycle center. The bag drop would be available during the hours of operation of the dealer and would be an extension of the recycle center. Please confirm that having the bag drop capability would eliminate the need for the dealer to participate in a dealer cooperative.</p> <p>As a recycle center we are trying to understand how we can support and engage with dealers to help them meet CRV redemption requirements without them having to join a dealer cooperative.</p>	<p>CalRecycle rejects this comment. The scope of this rulemaking is limited to dealer registration and dealer cooperatives. The criteria for a convenience zone being served or unserved by a bag drop recycling center is therefore outside the scope of these regulations.</p> <p>To answer the commenter's questions would require more details about the specific facts involved. It sounds like the commenter may be referring to the operation of a certified "bag drop recycling center", which is a type of recycling center certified under PRC section 14538 and which may or may not serve a convenience zone depending on the specific operation of that bag drop recycling center. The bag drop regulations are still in the process of being developed and have not yet been noticed, therefore the scenario presented by the commenter could not occur until those regulations are approved.</p>
C- 7 -1	Comment Letter		Website	Tony Gonzalez	TOMRA Collections	Comments submitted on behalf of TOMRA Collections have been uploaded. Thank you!	
C- 7 -2	Unclassified		Website	Tony Gonzalez	TOMRA Collections	<p>On behalf of TOMRA Collections, I am writing to express our support for the creation of a dealer cooperative stewardship plan and respective regulations. We suggest that with modifications, the regulations will maximize the potential for the State of California to reach its statutory goal of an 80% recycling rate for used beverage containers. TOMRA supported the enactment of SB 1013 (Atkins, 2022) because we anticipate that legislation will create incentives that could modernize California's "bottle bill" and provide access to redemption for consumers in unserved zones. California's deposit-return program is performing near last compared to other programs. We are encouraged by the leadership of CalRecycle to make the technical changes that would modernize the redemption system – making redemption easy, accessible, and visible for all consumers.</p> <p>To support this, we believe that the draft regulations would benefit from clarity in a few parts so that dealers and their service providers may understand to what performance standards they are expected to design, build, and operate.</p> <p>Paramount to this is the principle that redemption must be easy and accessible for the public. The State has a fiduciary responsibility to the public. The amendments of SB 1013 and AB179, which reinvested unredeemed deposit funds into the redemption infrastructure, were intended to serve this principle. Please find our recommendations below:</p>	CalRecycle rejects this comment because this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. We thank you for your participation in the 45-day public comment period.
C- 7 -3	[Subchapter 2 Art. 1] Certification Application Procedures	2030. Review of Applications	Website	Tony Gonzalez	TOMRA Collections	Page 4: (g)(3) – requires the redemption services operate for a minimum of 30 hours Monday through Friday. Research funded by CalRecycle, with sample charts below, makes clear the public's habits and feedback points to expanding the requirement of this section to more hours and a requirement to operate on Saturday and Sunday. Doing this is made possible because of the significant funding directed to implement innovative redemption systems.	CalRecycle rejects this comment. The scope of this rulemaking is limited to dealers and dealer cooperatives. At this time, CalRecycle does not have the statutory authority to expand the minimum operational hours requirements for recycling centers as part of this rulemaking. The required minimum operating hours for recycling centers are defined in PRC section 14571 as "30 hours per week with a minimum of five hours of operation occurring during periods other than from Monday to Friday, from 9am to 5 pm." The basis for denial of recycling center applications is written in compliance of those statutory requirements and cannot be amended in this rulemaking package.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 7 -4	[Subchapter 4.5 Art. 2] Dealers	2370. Definitions	Website	Tony Gonzalez	TOMRA Collections	<p>Page 5: Regarding the definition of "innovative method of redemption" in Section 2370 (g), which reads as follows: (g) "Innovative method of redemption" includes both of the following: (1) Mobile collection programs in which beverage containers are picked up from consumers. (2) Bag drop, reverse vending machine, or other method of redemption that does not require an attendant to accept materials. We respectfully request that sub (1) of (g) be stricken altogether, so that a mobile collection program not be deemed by regulation to be an innovative method of redemption. Mobile collection programs have proven to be both ineffective and costly in the San Francisco and Irvine pilots. Certainly, the learnings expose that this is not a sustainable nor convenient offering for the program to promote for consumers in most CZs. No other deposit return system around the world relies on mobile collection programs as a redemption offering to consumers. As redrafted, we propose Section 2370 (g) read as follows: (g) "Innovative method of redemption" includes both of the following: (4) Mobile collection programs in which beverage containers are picked up from consumers. (2) Bag drop, reverse vending machine, or other method of redemption that does not require an attendant to accept materials.</p>	<p>CalRecycle accepts this comment in part. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to classifications of innovative methods of redemption. The following changes have been made: CalRecycle has removed "mobile collection programs in which beverage containers are picked up from consumers" as a classification of innovative method of redemption and has added pickup service, defined as a service in which "empty beverage containers are redeemed at the consumer's address." CalRecycle rejects this comment in part to the extent it suggests broadening the definition of "innovative methods of redemption" to include "mobile collections services". While not all types of "mobile collection programs" are enumerated as a type of "innovative method of redemption", CalRecycle has removed the requirement for dealer cooperatives to use an "innovative method of redemption" and therefore the definition's function is only to differentiate inspection and payment requirements under section 2382(m)-(n). If a particular type of "mobile collection service" is not described in the "innovative method of redemption" definition, this does not prohibit a dealer cooperative from engaging in that type of mobile collection service. This flexibility is necessary to allow a dealer cooperative to offer redemption services tailored to the needs of the community in which it operates.</p>
C- 7 -5	[Subchapter 4.5 Art. 2] Dealers	2371. Dealer Registration	Website	Tony Gonzalez	TOMRA Collections	<p>Page 6: Dealer Registration – we support this section;</p>	<p>CalRecycle rejects this comment because this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. We thank you for your participation in the 45-day public comment period.</p>
C- 7 -6	[Subchapter 4.5 Art. 2] Dealers	2372. Dealer Notification Requirements and New Registration Required	Website	Tony Gonzalez	TOMRA Collections	<p>and (Page 8) that has it done annually.</p>	<p>CalRecycle rejects this comment because this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. We thank you for your participation in the 45-day public comment period.</p>
C- 7 -7	[Subchapter 4.5 Art. 2] Dealers	2373. Dealer Redemption Requirements	Website	Tony Gonzalez	TOMRA Collections	<p>Page 8: Dealer Redemption Requirements – not in coop section 14578 (a)(1)</p>	<p>CalRecycle rejects this comment. This comment requests a change in the regulations that is not consistent with statute. Dealer redemption requirements are necessary to clarify that the statutory burden to redeem in-store when the dealer is in an unserved convenience zone applies when the non-exempt dealer is not a member of a dealer cooperative, the dealer cooperative is not fully operational with an approved plan, or the dealer cooperative has been revoked. The adoption of regulations regarding a dealer cooperative's redemption plan is required pursuant to PRC section 14578.5.</p>

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 7 -8	[Subchapter 4.5 Art. 2] Dealers	2373. Dealer Redemption Requirements	Website	Tony Gonzalez	TOMRA Collections	Page 9: (d) we support this provision that requires dealers in a UZ with a coop – that don't join the coop – to take back. The draft regulations should clearly state that a dealer in an unserved zone that has not joined a dealer cooperative shall offer an innovative method of redemption to satisfy its own legal requirement under the statute. We propose the following amendment: <u>(new) A dealer in an unserved zone not served by a dealer cooperative stewardship plan may comply with Section 14578 by providing an innovative method of redemption.</u>	CalRecycle rejects this comment. The scope of this rulemaking is limited to dealer registration and dealer cooperatives. PRC section 14578(a)(1) establishes the requirements for a dealer to redeem in an unserved convenience zone. The requested change is not included in the dealer requirements under PRC section 14578(a)(1) and, therefore, is outside the scope of this rulemaking.
C- 7 -9	[Subchapter 4.5 Art. 2] Dealers	2374. Implementation Period for Stewardship Plan Submission and Dealer Redemption Requirements	Website	Tony Gonzalez	TOMRA Collections	Page 9: re. Implementation Period.... this section ties compliance to submittal of a 'plan' rather than at its implementation. This would likely create a significant period when the zone remains unserved without dealer participation. We recommend deleting some of the provision. <u>(a) A dealer member of a dealer cooperative that submits a stewardship plan within 120 days of the effective date of this section has satisfied the requirements of section 14578(a) of the Act, including, but not limited to, the requirement to redeem on the dealer's premises under section 14578(a)(1)(A) of the Act.</u>	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle has amended the proposed regulations to delete section 2374 in its entirety. The deletion of section 2374 will ensure that there is not a significant period of time when an unserved convenience zone does not have redemption either as part of a dealer cooperative or through dealers redeeming in store.
C- 7 -10	[Subchapter 4.5 Art. 3] Stewardship Plan	2375. Stewardship Plan Submission	Website	Tony Gonzalez	TOMRA Collections	Page 10: making the Stewardship Plan available to the public is helpful.	CalRecycle rejects this comment because this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. We thank you for your participation in the 45-day public comment period.
C- 7 -11	[Subchapter 5 Art. 3] Accounting and Reporting Requirements	2430. Payments	Website	Tony Gonzalez	TOMRA Collections	Lastly, a key component of making innovative methods of redemption financially viable is ensuring that providers of innovative methods of redemption are fully reimbursed for the CRV they actually pay to consumers. In the weight-based payment system under current practice in most cases, where consumers are paid by weight by recyclers, the CRV payment is in effect a wash since processors do pay the CRV payments by weight and CalRecycle in turn pays those processors by weight for loads of CRV material. However, the innovative methods of redemption contemplated by the proposed regulations – bag drops and reverse vending machines – consumers are paid on the basis of count, not on the basis of weight. When those providers of innovative methods of redemption are themselves paid by the processors and, ultimately, by CalRecycle, the regulations should be clarified to state that CalRecycle shall reimburse processors, and ultimately recyclers who operate bag drops or reverse vending machines, on the basis of count and not on the basis of weight. This is fully consistent with the intent of SB 1013 and AB 179, which together were intended to incentivize the deployment of technology to provide a substantially improved and more fair recycling experience for consumers.	CalRecycle rejects this comment. With regard to the request that CalRecycle reimburse the CRV based on count rather than weight, this comment is outside of the scope of this regulatory package, which relates to dealer registration and dealer cooperatives. CalRecycle continues to engage with the interested public on count vs. weight feedback and suggestions in the larger scope of the BCRP.
C- 7 -12	[Subchapter 4.5 Art. 1] Definitions	2370. Definitions	Website	Tony Gonzalez	TOMRA Collections	We are excited that both the Legislature and CalRecycle are looking to modernize the bottle bill program through innovative redemption programs. By directing funds and regulations to allow for bag-drop and reverse vending solutions, and a revision to Section 2370 (g) as proposed, will provide the public access to redemption they deserve.	CalRecycle rejects this comment because this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. We thank you for your participation in the 45-day public comment period.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 8 -1	Unclassified		Website		Feevon Inc	CalRecycle should implement a policy preventing the opening of new recycling facilities, including RVMs, bag drops, or co-ops, within a one-mile radius of existing recyclers. This safeguard is essential to protect established recyclers from losing their handling fees, which are crucial for their sustainability. With the escalating expenses of operating businesses in California, including labor and insurance, recycling establishments are already facing significant challenges. Depriving them of handling fees could lead to the closure of many of these vital recycling facilities	CalRecycle rejects this comment. The scope of this rulemaking package is dealer registration and dealer cooperatives. With regard to adding location restrictions for new redemption opportunities for consumers and existing certified recycling center, this comment is outside of the scope of this rulemaking package. To the extent that handling fees may be jeopardized for existing recycling centers where new dealer cooperatives may open, this is not accurate because dealer cooperatives can only operate in unserved convenience zones.
C- 9 -1	Unclassified		Website	Jado recycling	Jado Recycling	CalRecycle should enact a regulation that prohibits the establishment of new recycling facilities, such as RVMs, bag drops, or co-ops, within a one-mile radius of existing recyclers. This measure aims to safeguard the handling fees vital for the sustainability of established recyclers, especially amid the escalating costs of business operations in California, including labor and insurance. Without this protection, many recyclers could face closure due to the loss of crucial handling fees	CalRecycle rejects this comment. The scope of this rulemaking package is dealer registration and dealer cooperatives. With regard to adding location restrictions for new redemption opportunities for consumers and existing certified recycling center, this comment is outside of the scope of this rulemaking package. To the extent that handling fees may be jeopardized for existing recycling centers where new dealer cooperatives may open, this is not accurate because dealer cooperatives can only operate in unserved convenience zones.
C- 10 -1	Unclassified		Website	Feevon Inc	Feevon Inc	CalRecycle should implement a policy preventing the opening of new recycling facilities, including RVMs, bag drops, or co-ops, within a one-mile radius of existing recyclers. This safeguard is essential to protect established recyclers from losing their handling fees, which are crucial for their sustainability. With the escalating expenses of operating businesses in California, including labor and insurance, recycling establishments are already facing significant challenges. Depriving them of handling fees could lead to the closure of many of these vital recycling facilities	CalRecycle rejects this comment. The scope of this rulemaking package is dealer registration and dealer cooperatives. With regard to adding location restrictions for new redemption opportunities for consumers and existing certified recycling center, this comment is outside of the scope of this rulemaking package. To the extent that handling fees may be jeopardized for existing recycling centers where new dealer cooperatives may open, this is not accurate because dealer cooperatives can only operate in unserved convenience zones.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 11 -1	[Subchapter 4.5 Art. 1] Definitions	2370. Definitions	Website	Greg Lanz	Recycletek	<p>REGARDING:</p> <p>Section 2370. Definitions</p> <p>(g) "Innovative method of redemption" includes both of the following:</p> <p>(1) Mobile collection programs in which beverage containers are picked up from consumers.</p> <p>(2) Bag drop, reverse vending machine, or other method of redemption that does not require an attendant to accept materials.</p> <p>"Mobile redemption programs" should be added to the list of "Innovative methods of redemption" to provide dealer cooperatives with more flexible options to serve a Dealer Cooperative Zone and meet the requirements and performance standards identified in Article 3, Section 2375.1 (Stewardship Plan Contents), subsection (b)(6), (b)(7), and (b)(8).</p>	<p>CalRecycle accepts this comment in part. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to classifications of innovative methods of redemption. The following changes have been made: CalRecycle has removed "mobile collection programs in which beverage containers are picked up from consumers" as a classification of innovative method of redemption and has added pickup service, defined as a service in which "empty beverage containers are redeemed at the consumer's address." CalRecycle rejects this comment in part to the extent it suggests broadening the definition of "innovative methods of redemption" to include "mobile collections services". While not all types of "mobile collection programs" are enumerated as a type of "innovative method of redemption", CalRecycle has removed the requirement for dealer cooperatives to use an "innovative method of redemption" and therefore the definition's function is only to differentiate inspection and payment requirements under section 2382(m)-(n). If a particular type of "mobile collection service" is not described in the "innovative method of redemption" definition, this does not prohibit a dealer cooperative from engaging in that type of mobile collection service. This flexibility is necessary to allow a dealer cooperative to offer redemption services tailored to the needs of the community in which it operates.</p>
C- 12 -1	Unclassified		Oral	Greg Lanz	Recycletek	<p>I received feedback from the Department that a single-feed RVM system in a dealer managed by an operating recycling center considers the zone as served. And when I look at the draft regulations for the requirement for dealer co-ops to provide 80 percent of the beverage containers amount of redemption amount at a minimum of 80 percent, I was -- my comment is that I think there should be language in here that refers to a zone not being served by a single-feed RVM in a dealer, because my understanding is those single-feed RVM systems certainly would not be able to support 80 percent redemption rates.</p>	<p>CalRecycle rejects this comment. With regard to whether a single-feed RVM operated by a recycling center makes a zone served, this comment is outside of the scope of this rulemaking package. The scope of this rulemaking is limited to dealer registration and dealer cooperatives. CalRecycle notes that section 2382(g)(1) specifies that a dealer cooperative redemption location does not make a zone served. CalRecycle recognizes the capacity limitations of innovative methods of redemption such as single-feed RVMs, and based on interested party feedback, has established a provision in section 2375.4(f)(4) that requires at least one redemption location in each unserved convenience zone to be able to redeem all material types for a minimum of 10 hours per week, with no less than five of those hours on a Saturday or Sunday between the hours of 9 a.m. and 5 p.m. Adding a provision specifying that a single-feed RVM does not satisfy the redemption requirements of a dealer cooperative would hinder the goal of the Act to provide flexible standards for dealer cooperatives to fulfill their statutory requirements while providing sufficient consumer convenience. The performance standard of an 80% redemption rate ensures that dealer cooperatives provide sufficient redemption opportunities, which may or may not be satisfied by a single-feed RVM.</p>

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
C- 12 -2	[Subchapter 4.5 Art. 1] Definitions	2370. Definitions	Oral	Greg Lanz	Recycletek	Hi again. Greg from Recycletek. I just have one more comment. I'd like to thank you for the opportunity today. Under the definition on page five for innovative method of redemption includes both of the following. Number one, mobile collection programs in which beverage containers are picked up from consumers. In my understanding, that's a very limited definition that does not provide for the flexibility of mobile programs to arrive at locations to receive consumers that are delivering CRV containers. So my comment is that the definition of a mobile collection program should be broadened to provide the flexibility of operating in different locations to not only pick up from consumers but to receive containers from consumers.	CalRecycle accepts this comment in part. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to classifications of innovative methods of redemption. The following changes have been made: CalRecycle has removed "mobile collection programs in which beverage containers are picked up from consumers" as a classification of innovative method of redemption and has added pickup service, defined as a service in which "empty beverage containers are redeemed at the consumer's address." CalRecycle rejects this comment in part to the extent it suggests broadening the definition of "innovative methods of redemption" to include "mobile collections services". While not all types of "mobile collection programs" are enumerated as a type of "innovative method of redemption", CalRecycle has removed the requirement for dealer cooperatives to use an "innovative method of redemption" and therefore the definition's function is only to differentiate inspection and payment requirements under section 2382(m)-(n). If a particular type of "mobile collection service" is not described in the "innovative method of redemption" definition, this does not prohibit a dealer cooperative from engaging in that type of mobile collection service. This flexibility is necessary to allow a dealer cooperative to offer redemption services tailored to the needs of the community in which it operates.
O- 1 -1	Comment Letter		Website	Rachel Oster	Recycle Right Coalition	See attached letter on behalf of the Recycle Right Coalition	
O- 1 -2	[Subchapter 4.5 Art. 2] Dealers		Website	Rachel Oster	Recycle Right Coalition	Firstly, the draft regulations currently lack clear requirements and standards necessary for evaluating Option A. Without robust criteria defining convenience, minimum capacity, and what constitutes 'satisfactory/sufficient', ambiguity and inconsistency in implementation could arise, potentially compromising the intended outcomes of SB 1013. Conversely, Section 2375.1 of the Regulations provides clear standards for stewardship plans, ensuring consistency and effectiveness. Vague definitions in Option A could create an administrative loophole for dealers, underscoring the need for enforceable standards across all redemption methods.	CalRecycle rejects this comment. PRC section 14578 gives dealers the option of either redeeming in store or joining a dealer cooperative. PRC section 14578(a)(1) describes the requirements for dealers who choose to redeem in store. Dealers who redeem in store are ineligible for payments and therefore do not have to comply with the same requirements as dealer cooperatives. The requirements for dealer cooperatives under PRC section 14578.5 include reporting and other requirements. It would be inconsistent and contrary to SB 1013 to apply the same requirements on dealers that redeem in store as apply to dealer cooperatives.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 1 -3	[Subchapter 4.5 Art. 2] Dealers		Website	Rachel Oster	Recycle Right Coalition	Moreover, as currently drafted, Option A lacks adequate reporting requirements compared to Dealer Cooperatives, which must adhere to extensive reporting standards. We recommend requiring the same reporting standards for Option A that is required of reporting in the stewardship plan required of Dealer Cooperatives. Transparent and regular reporting mechanisms are essential for effective oversight, enabling progress monitoring and informed decision-making. Thus, evaluating Option A's effectiveness is vital to prevent oversight.	CalRecycle rejects this comment. PRC section 14578 gives dealers the option of either redeeming in store or joining a dealer cooperative. PRC section 14578(a)(1) describes the requirements for dealers who choose to redeem in store. Dealers who redeem in store are ineligible for payments and therefore do not have to comply with the same requirements as dealer cooperatives. The requirements for dealer cooperatives under PRC section 14578.5 include reporting and other requirements. It would be inconsistent and contrary to SB 1013 to apply the same requirements on dealers that redeem in store as apply to dealer cooperatives.
O- 1 -4	[Subchapter 4.5 Art. 2] Dealers		Website	Rachel Oster	Recycle Right Coalition	In addition to refining standards and reporting, bolstering enforcement measures is imperative. Dealer participation is crucial for SB 1013 success, necessitating higher penalties and streamlined administrative processes. Without stringent enforcement, compliance may falter, undermining the initiative's efficacy.	CalRecycle rejects this comment. With regard to dealer enforcement, this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. Enforcement of dealers is thoroughly addressed in sections 2385 and 2386 of the proposed regulations, including specifically in section 2386(b).
O- 2 -1	Comment Letter		Website	Liza Tucker	Consumer Watchdog	<p>Dear CalRecycle Beverage Container Recycling Team,</p> <p>We write to comment on the proposed permanent regulations on dealer registration and dealer cooperatives under SB 1013. We urge you to modify further before finalizing them. Specifically, we spotlight the following issues:</p> <p>1.</p> <p>Enforcement against dealers that choose not to form or join a dealer cooperative must be tougher.</p> <p>Under the current regulations, dealers that choose not to form cooperatives in unserved zones are obligated to take CRV beverage containers back in store and refund deposits. Retailers signed up to take beverage containers back in store must only sign an affidavit that says they have a sign posted that they refund CRV, and that the material was delivered to a recycling center or processor.</p> <p>The current system has been marred by dealers who claim to redeem, but in fact do not. Tighter enforcement is needed in the regulations to ensure compliance under the reformed system.</p> <p>The current proposed permanent regulations, Section 2372 on Dealer Redemption Requirements, specify only that a dealer located in an unserved zone that is not a member of a dealer cooperative with an operational stewardship plan approved by the department shall redeem beverage containers on the dealer's premises in accordance with section 14578(a)(1) of the Act [CA Beverage Container Recycling and Litter Reduction Act].</p> <p>The absence of stricter and verifiable proof that such non-participating stores are ensuring clean CRV beverage containers are properly recycled deprives CalRecycle of critical enforcement tools. The same requirements on dealer cooperatives in these proposed final regulations under Section 2380 on Record Keeping should apply to stores that choose not to join a cooperative but that must refund deposits as of January 1, 2025.</p> <p>This includes retaining documentation related to customer transactions, demonstrated by keeping daily customer logs to track containers returned by consumers, the total weight/count of materials by material type, and how the material was managed, e.g. shipped to a processor as scrap, etc. Should a dealer not participating in a cooperative in an unserved zone be audited and no records are presented, including that the dealer delivered material themselves to a recycling center or processor, then they have been violating the law by illegally turning away customers. This will make enforcement easier for CalRecycle.</p> <p>2.</p> <p>Need for CalRecycle-supplied model dealer cooperative redemption plans.</p> <p>SB 1013, Section 14578.5 (a) clearly states that By January 1, 2024, the department may provide one or more model dealer cooperative redemption plans for dealer cooperatives to adopt to comply with the new law. We urge CalRecycle to do so and to provide several examples based on different expanded zones and their individual features as quickly as possible.</p> <p>3.</p>	

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
						<p>Need for CalRecycle to set capacity targets for dealer cooperative beverage container redemption.</p> <p>On the question of capacity, CalRecycle states under Article 3, Steward Ship Plan, Stewardship Plan Submission, Section 2375, (7)(A) that dealers forming coops must demonstrate "How the dealer cooperative will have the capability to provide convenient redemption of all material types, and the capacity to redeem 100 percent of the beverage containers sold by dealer members into convenience zones in which any of the dealer members operate."</p> <p>Under Section 2375.1. Stewardship Plan Contents, (8)(A) setting out performance standards, the regulations state:</p> <p>(iii) Redemption of, at minimum, an amount of beverage containers equal to 80 percent of the beverage containers sold by dealer members into convenience zones in which any of the dealer members operate.</p> <p>We urge CalRecycle to set a target on how many containers each member of a cooperative should aim to collect monthly to meet the minimum 80 percent rate requirement.</p> <p>Based on data that CalRecycle publicly tracks, roughly 27 billion CRV containers are sold into the state each year while roughly 4,800 stores dealing in CRV beverages trigger convenience zones as of April 17, 2024.</p> <p>CalRecycle could divide 80 percent of the overall number of containers sold in the state by the number of dealers. That way, your Department can set a target in the regulations for the number of containers for dealers forming cooperatives to aim to collect monthly to demonstrate individual dealer capacity to take back a minimum of 80 percent of containers sold into the unserved zones.</p> <p>4.</p> <p>Need for CalRecycle to strike mobile collection programs from the definition of an "innovative method of redemption."</p> <p>We urge CalRecycle to revise Section 2370 (g) to strike "mobile collection programs" from the definition of "innovative method of redemption" of beverage containers.</p> <p>CalRecycle has funded "pilots" consisting of traditional, permanent, and stationary recycling centers as well as mobile programs. We are concerned that mobile programs are still a part of the mix of dealer options. Our 2022 report, Pilot Error: How CalRecycle's New CRV Refund Pilots are Crashing and Burning, found that the most financially viable pilots involved permanent and stationary recycling locations that provided the most convenience to consumers by staying open the most days and the longest hours each week to offer redemption service.</p> <p>Conversely, "mobile" pilots in San Francisco and in Irvine (now expanded to other locations) were proving to be a financial bust, with the San Francisco pilot bleeding \$1.25 cents for every nickel container refunded to a consumer and a 14-cent expense to return a nickel container in Irvine.</p> <p>The picture remains much the same—or worse—today, according to industry sources. This is because mobile recycling cannot collect enough material from a large enough customer base to make the service financially viable.</p> <p>While there may be some utility to allowing dealer cooperatives to use mobile collection programs in isolated areas of the state where the population density is so low that it's not economically feasible to operate reverse vending machines or bag drops, CalRecycle should not encourage dealer cooperatives to rely on mobile collection programs to fulfill their legal obligations under SB 1013.</p> <p>The Legislature authorized mobile collection programs as pilot projects, which have already proven to be a bust, and there should be no language in the regulations whatsoever that would allow a dealer cooperative to serve a zone, at least in urban or suburban areas, with mobile collection programs.</p> <p>5. CalRecycle has the responsibility to promote consumer access to redemption of beverage containers.</p> <p>Consumer convenience must remain central to the goal of ensuring more widespread redemption to lift the state's current redemption rate of roughly 60% direct container returns.</p> <p>The regulations under Section 2375, Stewardship Plan Submission (A) currently require dealer cooperatives to promote awareness and maximize consumer and dealer participation in the stewardship program, including but not limited to providing educational and outreach materials to persons selling and purchasing beverages in beverage containers in the dealer cooperative zone.</p> <p>It should not be entirely upon dealer coops to educate the public. CalRecycle is allocated funds to perform public education and outreach. It should promote the reformed program for beverage container itself.</p> <p>CalRecycle currently lacks an easily accessible web page to provide a combined list of recycling centers and stores that must take back containers complete with all locations and phone numbers. CalRecycle can provide this now and then add to that list dealer cooperatives as they are approved. Maps showing the status of expanded convenience zones in terms of served and unserved zones, exemptions and hold statuses should also be easily publicly accessible on your website and should be updated in real time.</p>	

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 2 -2	[Subchapter 4.5 Art. 5] Enforcement	2386. Penalties and Interest Charges	Website	Liza Tucker	Consumer Watchdog	<p>1. Enforcement against dealers that choose not to form or join a dealer cooperative must be tougher.</p> <p>Under the current regulations, dealers that choose not to form cooperatives in unserved zones are obligated to take CRV beverage containers back in store and refund deposits. Retailers signed up to take beverage containers back in store must only sign an affidavit that says they have a sign posted that they refund CRV, and that the material was delivered to a recycling center or processor.</p> <p>The current system has been marred by dealers who claim to redeem, but in fact do not. Tighter enforcement is needed in the regulations to ensure compliance under the reformed system.</p>	CalRecycle rejects this comment. With regard to enforcement of noncompliant dealers, this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. Enforcement of noncompliant dealers is thoroughly addressed in section 2386.
O- 2 -3	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2380. Recordkeeping	Website	Liza Tucker	Consumer Watchdog	<p>The current proposed permanent regulations, Section 2372 on Dealer Redemption Requirements, specify only that a dealer located in an unserved zone that is not a member of a dealer cooperative with an operational stewardship plan approved by the department shall redeem beverage containers on the dealer's premises in accordance with section 14578(a)(1) of the Act [CA Beverage Container Recycling and Litter Reduction Act].</p> <p>The absence of stricter and verifiable proof that such non-participating stores are ensuring clean CRV beverage containers are properly recycled deprives CalRecycle of critical enforcement tools. The same requirements on dealer cooperatives in these proposed final regulations under Section 2380 on Record Keeping should apply to stores that choose not to join a cooperative but that must refund deposits as of January 1, 2025.</p>	CalRecycle rejects this comment. PRC section 14578 gives dealers the option of either redeeming in store or joining a dealer cooperative. PRC section 14578(a)(1) of the Act describes the requirements for dealers who choose to redeem in store. Dealers who voluntarily choose to redeem in store are ineligible for program payments. Imposing the same standards set for dealer cooperatives would create inequitable and burdensome requirements for an entity that does not participate in the BCRP like a recycling center, processor, or dealer cooperative would. The scope of this rulemaking is limited to dealer registration and dealer cooperative operations, stewardship plan, and enforcement. The requirements for dealer cooperatives under PRC section 14578.5 include reporting and other requirements.
O- 2 -4	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2420. Recordkeeping	Website	Liza Tucker	Consumer Watchdog	<p>This includes retaining documentation related to customer transactions, demonstrated by keeping daily customer logs to track containers returned by consumers, the total weight/count of materials by material type, and how the material was managed, e.g. shipped to a processor as scrap, etc. Should a dealer not participating in a cooperative in an unserved zone be audited and no records are presented, including that the dealer delivered material themselves to a recycling center or processor, then they have been violating the law by illegally turning away customers. This will make enforcement easier for CalRecycle.</p>	CalRecycle rejects this comment. PRC section 14578 gives dealers the option of either redeeming in store or joining a dealer cooperative. PRC section 14578(a)(1) describes the requirements for dealers who choose to redeem in store. Dealers who voluntarily choose to redeem in store are ineligible for program payments. Imposing the same standards set for dealer cooperatives would create inequitable and burdensome requirements for an entity that does not participate in the BCRP like a recycling center, processor, or dealer cooperative would. At this time, the scope of this rulemaking is limited to dealer registration and dealer cooperative operations, stewardship plan, and enforcement. The requirements for dealer cooperatives under PRC section 14578.5 include reporting and other requirements.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 2 -5	Rulemaking Process		Website	Liza Tucker	Consumer Watchdog	<p>2. Need for CalRecycle-supplied model dealer cooperative redemption plans.</p> <p>SB 1013, Section 14578.5 (a) clearly states that By January 1, 2024, the department may provide one or more model dealer cooperative redemption plans for dealer cooperatives to adopt to comply with the new law. We urge CalRecycle to do so and to provide several examples based on different expanded zones and their individual features as quickly as possible.</p>	CalRecycle rejects this comment. With regard to CalRecycle's development of a model template plan, this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. CalRecycle will release a final model plan once the regulations are final to aid dealer cooperatives with plan development.
O- 2 -6	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Liza Tucker	Consumer Watchdog	<p>3. Need for CalRecycle to set capacity targets for dealer cooperative beverage container redemption.</p> <p>On the question of capacity, CalRecycle states under Article 3, Stewardship Plan, Stewardship Plan Submission, Section 2375, (7)(A) that dealers forming coops must demonstrate "How the dealer cooperative will have the capability to provide convenient redemption of all material types, and the capacity to redeem 100 percent of the beverage containers sold by dealer members into convenience zones in which any of the dealer members operate."</p> <p>Under Section 2375.1. Stewardship Plan Contents, (8)(A) setting out performance standards, the regulations state:</p> <p>(iii) Redemption of, at minimum, an amount of beverage containers equal to 80 percent of the beverage containers sold by dealer members into convenience zones in which any of the dealer members operate.</p> <p>We urge CalRecycle to set a target on how many containers each member of a cooperative should aim to collect monthly to meet the minimum 80 percent rate requirement.</p> <p>Based on data that CalRecycle publicly tracks, roughly 27 billion CRV containers are sold into the state each year while roughly 4,800 stores dealing in CRV beverages trigger convenience zones as of April 17, 2024.</p> <p>CalRecycle could divide 80 percent of the overall number of containers sold in the state by the number of dealers. That way, your Department can set a target in the regulations for the number of containers for dealers forming cooperatives to aim to collect monthly to demonstrate individual dealer capacity to take back a minimum of 80 percent of containers sold into the unserved zones.</p>	CalRecycle rejects this comment. The provision requiring an 80% redemption rate of containers sold within the dealer cooperative is necessary to accomplish the goal of 80% beverage container recycling rate. PRC section 14501(c) establishes an 80% recycling rate and the provisions requiring a 100% capacity with an 80% performance standard is necessary to effectuate this statutory provision because they provide flexible standards that are achievable for dealer cooperatives of varying sizes. The proposed method of quantifying targets based on dividing overall container beverages sold assumes equal distribution of dealers per dealer cooperative and does not take into account the limitations of smaller or more rural cooperatives that have lower sales of beverage containers compared to other high-volume dealers.
O- 2 -7	[Subchapter 4.5 Art. 1] Definitions	2370. Definitions	Website	Liza Tucker	Consumer Watchdog	<p>4. Need for CalRecycle to strike mobile collection programs from the definition of an "innovative method of redemption."</p> <p>We urge CalRecycle to revise Section 2370 (g) to strike "mobile collection programs" from the definition of "innovative method of redemption" of beverage containers. CalRecycle has funded "pilots" consisting of traditional, permanent, and stationary recycling centers as well as mobile programs. We are concerned that mobile programs are still a part of the mix of dealer options. Our 2022 report, Pilot Error: How CalRecycle's New CRV Refund Pilots are Crashing and Burning, found that the most financially viable pilots involved permanent and stationary recycling locations that provided the most convenience to consumers by staying open the most days and the longest hours each week to offer redemption service.</p> <p>Conversely, "mobile" pilots in San Francisco and in Irvine (now expanded to other locations) were proving to be a financial bust, with the San Francisco pilot bleeding \$1.25 cents for every nickel container refunded to a consumer and a 14-cent expense to return a nickel container in Irvine.</p> <p>The picture remains much the same—or worse—today, according to industry sources. This is because mobile recycling cannot collect enough material from a large enough customer base to make the service financially viable.</p> <p>While there may be some utility to allowing dealer cooperatives to use mobile collection programs in isolated areas of the state where the population density is so low that it's not economically feasible to operate reverse vending machines or bag drops, CalRecycle should not encourage dealer cooperatives to rely on mobile collection programs to fulfill their legal obligations under SB 1013.</p> <p>The Legislature authorized mobile collection programs as pilot projects, which have already proven to be a bust, and there should be no language in the regulations whatsoever that would allow a dealer cooperative to serve a zone, at least in urban or suburban areas, with mobile collection programs.</p>	CalRecycle partially accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to classifications of innovative methods of redemption, including mobile collection programs. However, CalRecycle rejects this comment's proposition that there "should be no language in the regulations whatsoever that would allow a dealer cooperative to serve a zone, at least in urban or suburban areas, with mobile collection programs.". The following changes have been made: CalRecycle has removed the requirement for innovative methods of redemption from the proposed regulation text, although dealer cooperatives may still opt to use an innovative method of redemption. In addition, CalRecycle has replaced "Mobile collection programs in which beverage containers are picked up from consumers" with "Pickup service as part of which empty beverage containers are redeemed at the consumer's address" as an innovative method of redemption. Retaining pickup service in this definition is necessary to allow dealer cooperatives the flexibility to operate in a way that provides the most consumer convenience to their community to support the mandates of SB 1013, while allowing them three days to pay the refund value for this innovative method of redemption.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 2 -8	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Liza Tucker	Consumer Watchdog	5. CalRecycle has the responsibility to promote consumer access to redemption of beverage containers. Consumer convenience must remain central to the goal of ensuring more widespread redemption to lift the state's current redemption rate of roughly 60% direct container returns. The regulations under Section 2375, Stewardship Plan Submission (A) currently require dealer cooperatives to promote awareness and maximize consumer and dealer participation in the stewardship program, including but not limited to providing educational and outreach materials to persons selling and purchasing beverages in beverage containers in the dealer cooperative zone. It should not be entirely upon dealer coops to educate the public. CalRecycle is allocated funds to perform public education and outreach. It should promote the reformed program for beverage container itself.	CalRecycle rejects this comment. The requirement of dealer cooperatives to provide outreach and education is necessary to increase consumer convenience and access. PRC section 14578.5(c)(1) requires that dealer cooperatives' redemption programs provide sufficient redemption opportunities and comparable convenience to the requirements of PRC section 14571 and the outreach and education stewardship plan requirement is necessary to effectuate this statutory provision because the Act has placed the responsibility of providing convenience onto the dealer cooperatives, and for redemption opportunities to be considered convenient, consumers must be made aware. With regard to CalRecycle promoting dealer cooperatives in conjunction with all other redemption locations on CalRecycle's website, this is not required through regulation because CalRecycle already has this authority.
O- 2 -9	Unclassified		Website	Liza Tucker	Consumer Watchdog	CalRecycle currently lacks an easily accessible web page to provide a combined list of recycling centers and stores that must take back containers complete with all locations and phone numbers. CalRecycle can provide this now and then add to that list dealer cooperatives as they are approved.	CalRecycle rejects this comment. This comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process.
O- 2 -10	Unclassified		Website	Liza Tucker	Consumer Watchdog	Maps showing the status of expanded convenience zones in terms of served and unserved zones, exemptions and hold statuses should also be easily publicly accessible on your website and should be updated in real time.	CalRecycle rejects this comment. This comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 3 -1	Comment Letter		Website	John Kennedy	Rural County Representatives of California	<p>April 30, 2024</p> <p>Krystal Acierio Acting Director, Department of Resources Recycling and Recovery 1001 I Street Sacramento, CA 95814</p> <p>RE: SB 1013 Dealer Cooperatives Formal Rulemaking Comments</p> <p>Dear Acting Director Acierio:</p> <p>On behalf of the Rural County Representatives of California (RCRC), we are pleased to provide comments on CalRecycle's Senate Bill 1013 Dealer Cooperatives Proposed Regulation. We believe the proposed regulation must be modified to bring it in line with SB 1013's statutory requirements and avoid widespread consumer confusion and frustration.</p> <p>RCRC is an association of forty rural California counties, and the RCRC Board of Directors is comprised of elected supervisors from each member county. RCRC has long advocated for expansion of convenient beverage container redemption opportunities. The Environmental Services Joint Powers Authority, which includes twenty-seven of RCRC's forty member counties, supported SB 1013 (Atkins, Chapter 610, Statutes of 2022) to increase consumer access to convenient redemption opportunities and improve the amount and quality of glass entering the recycling system.</p> <p>Convenient beverage container redemption opportunities do not exist for many Californians. Without convenient redemption opportunities, the Beverage Container Recycling Program (Program) becomes a regressive tax that disproportionately impacts lower-income Californians. For this reason, it should be as easy for a consumer to get his or her CRV deposit back as it is to pay it in the first place.</p> <p>RCRC believes dealer cooperatives will increase access to convenient beverage container redemption opportunities and could form the foundation for development of depots that take back a wide variety of recyclable materials. RCRC appreciates CalRecycle's efforts to create a clear regulatory structure for the establishment of dealer cooperatives to redeem beverage containers. Unfortunately, we fear that the proposed regulations – as currently drafted – fall short of SB 1013's expectations, will increase consumer confusion and frustration, and could be manipulated by cooperatives to the detriment of consumers.</p> <p>SB 1013 Intended to Increase Consumer Access to Redemption Opportunities Senate Bill 1013 was intended to increase consumer access to redemption opportunities.[Footnote 1] It did so by repealing the ability for dealers in unserved zones to pay a \$100/day in lieu fee to the state to avoid having to take empty containers back from consumers. Under SB 1013, dealers in unserved zones must either take containers back in-store or join a dealer cooperative that redeems empty containers. Dealer cooperatives are supposed to provide a level of convenience comparable to the existing redemption system.</p> <p>Proposed Regulations Conflict With SB 1013 and Fail to Provide Comparable Consumer Access to Redemption Opportunities Under SB 1013, CalRecycle's regulations must "provide access and convenience for consumers comparable to subdivision (a) of Section 14571." [Footnote 2] That section requires at least one recycling center or location within every convenience zone that accepts and pays the refund value for all types of empty beverage containers. The proposed regulations, however, directly contradict this requirement by absolving the dealer cooperative from having to have at least one location where all types of empty beverage containers can be redeemed.</p> <p>Proposed Section 2375.1(b)(7)(E) states that, "Not all redemption locations are required to redeem all beverage container material types." There is nothing in the proposed regulations requiring all container types to be redeemed at a single location. This directly conflicts with PRC 14578.5's requirement to provide comparable consumer access to redemption opportunities pursuant to PRC 14571 (which itself requires at least one location to accept all types of beverage containers). [Footnote 3] The proposed regulations seek to remedy this conflict by requiring all beverage container types to be redeemed within each convenience zone. Under this model, a dealer cooperative could deploy multiple redemption machines or centers across the convenience zone, with each location accepting only a single container type. Under this system, a consumer may only be able to redeem plastic containers at one location before having to drive to a second location to redeem glass bottles and a third location to redeem cans. This framework establishes a perverse model that will increase consumer confusion and force consumers to play "whack-a-mole" when trying to redeem CRV containers. Having a clear expectation that at least one location in each convenience zone will redeem all container types will help address this concern.</p> <p>RCRC appreciates changes to the proposed regulations to clarify that dealer cooperatives shall not refuse to redeem beverage containers that are not sold by dealer members of that cooperative. [Footnote 4] This is a marked improvement, as the pre-regulatory draft only required dealer cooperatives to redeem those containers and brands sold by member dealers. We agree that dealer cooperatives must be required to redeem all CRV containers, regardless of the brand or who sold them. At the same time, the regulations should be modified to resolve inconsistency between the first and second sentences of Section 2375.1(B)(7)(A). While the second sentence requires a dealer cooperative to redeem all CRV containers regardless of who sold it, the first sentence still only requires the dealer cooperative to have "the capability to provide convenient redemption of all material types, and the capacity to redeem 100 percent of the beverage containers sold by the dealer members into convenience zones in which any of the dealer members operate." This second clause must be stricken as it causes confusion and is fundamentally inconsistent with the requirement to redeem all containers and beverages - not just those sold by dealer members.</p> <p>Unless amended, the proposed regulation will both increase vehicle miles traveled (VMT) and consumer frustration because they deny consumers the one stop redemption shop to which they are entitled under PRC 14571. This model may also be exploited by dealer cooperatives to obstruct consumers, resulting in the "donation" of containers that the operator refuses to redeem at a given location. These "donated" materials would then provide additional revenues that enrich the operator at the consumer's expense. Again, this strikes RCRC as patently unfair to the consumer expectations set forth in SB 1013.</p> <p>Daily Redemption Limits Will Severely Undermine Consumer Ability to Recover Deposits These proposed regulations commendably seek to facilitate the deployment of innovative methods of redemption, such as bag drop program, reverse vending machines, and mobile collection programs. Unfortunately, by requiring at least one "innovative method of redemption" in each dealer cooperative, [Footnote 5] the regulations ultimately mandate the use of redemption solutions that are inherently unable to provide the level of service that consumers need and deserve.</p> <p>The proposed regulations allow dealer cooperatives to establish daily customer redemption limits. [Footnote 6] This appears to be "necessary" because CalRecycle insists on requiring the inclusion of innovative methods of redemption into dealer cooperative programs. [Footnote 7] "Innovative methods of redemption" are presumably unable</p>	

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
						<p>to accept all container types and forms and may not have the same storage capacity as conventional redemption centers.</p> <p>Daily redemption limits will most harm those residents who live in rural areas of the state where consumers save large quantities of bottles and cans because of the long distance to the redemption center. Assuming an average price of gasoline of \$5/gallon and vehicle fuel efficiency of 20 miles/gallon, it would cost a consumer 100 cans just to break even to take their CRV containers to a redemption center located 10 miles away. In rural areas where distances to redemption opportunities are even greater, daily redemption limits will effectively undermine consumers' ability to recover deposits and could lead to a significant regional reduction in the quantity of containers recycled. Even in urban areas, these limits could increase VMT by forcing consumers to make multiple trips to redeem their containers.</p> <p>Rather than accommodate the use of technology that falls short of existing requirements, CalRecycle should instead require technology to adapt to participate in the program. Unfortunately, this overaccommodation of "innovative methods of redemption" will do a great disservice to consumers and their ability to redeem empty beverage containers.</p> <p>Suggested Modifications to the Regulatory Text To protect consumers and avoid inconsistency with other statutes, RCRC suggests the following modifications to the Draft Regulations (changes are signified in bold, italicized font):</p> <ul style="list-style-type: none"> • 14 CCR 2375.1(b)(6) "A minimum of one innovative method of redemption per convenience zone. [Begin deletion] This may include a corresponding daily redemption limit for the innovative method of redemption pursuant to subparagraph (B) of paragraph (8)." [End deletion] • 14 CCR 2375.1(b)(7) (A) "How the dealer cooperative will have the capability [begin added text] and capacity [end added text] to provide convenient redemption of all material types [begin deletion], and the capacity to redeem 100 percent of the beverage containers sold by dealer members into convenience zones in which any of the dealer members operate. [end deletion] A dealer cooperative shall not refuse to redeem a beverage container on the basis that the beverage container material type or the beverage type is not sold by a dealer member of the dealer cooperative." • 14CCR 2375.1(b)(7)(E) "Not all redemption locations are required to redeem all beverage container material types, [begin added text] but at least one location in each convenience zone must redeem all beverage container material types. [end added text] All beverage container material types shall be redeemed as part of the stewardship program within each convenience zone in which the dealer cooperative operates." • 14 CCR 2375.1(b)(8)(B) [begin deletion] "The stewardship plan may establish redemption limits, such as per customer per day or per innovative method of redemption, if the necessity of the redemption limit is established and justified in the stewardship plan. The justification shall demonstrate that the needs of the community and the goals of the Act will be best served by the redemption limits. The department may disapprove a stewardship plan pursuant to section 2376 if it does not find the justification sufficient." [end deletion] <p>RCRC appreciates your consideration of these comments. We look forward to continuing to work with you on efforts to expand consumer access to redemption opportunities and the development and implementation of these regulations. If you should have any questions, please do not hesitate to contact me at jkennedy@rcrcnet.org.</p> <p>Sincerely,</p> <p>JOHN KENNEDY Senior Policy Advocate</p> <p>cc: The Honorable Toni Atkins, California State Senator The Honorable Benjamin Allen, Chair, Senate Environmental Quality Committee The Honorable Isaac Bryan, Chair, Assembly Natural Resources Committee Elizabeth MacMillan, Consultant, Assembly Natural Resources Committee Brynn Cook, Consultant, Senate Environmental Quality Committee</p> <p>Footnotes: 1. Assembly Natural Resources Committee Analysis of SB 1013 (Atkins), August 29, 2022, page 7. 2. Public Resources Code Section 14578.5(b). 3. PRC 14578.5(b) specifically requires comparable convenience to that established under the more stringent PRC 14571(a). Other provisions of PRC 14571 provide greater flexibility for operators of bag drop and reverse vending machines (technologies that will also be used in dealer cooperative programs). PRC 14571(i) allows reverse vending machines and bag drops to reject some large containers as long as they are accepted by an attendant during at least 10 hours per week. In the event of equipment failure, PRC 14571(h) still requires the business to redeem empty beverage containers at all open cash registers or one designated location at the store. The proposed SB 1013 regulations contain none of these safeguards, meaning that the dealer cooperative can enjoy even more relaxed regulatory requirements than non-dealer cooperative redemption centers (all at the expense of the consumer). 4. Proposed 14 CCR 2375.1(b)(7)(A). 5. Proposed 14 CCR 2375.1(b)(6). 6. Proposed 14 CCR 2375.1(b)(6) and (b)(8). 7. The Initial Statement of Reasons (ISOR) suggests redemption limits are necessary to accommodate innovative methods of collection that may not have the capacity of existing redemption centers. ISOR, page 48.</p>	

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 3 -2	Unclassified		Website	John Kennedy	Rural County Representatives of California	<p>On behalf of the Rural County Representatives of California (RCRC), we are pleased to provide comments on CalRecycle's Senate Bill 1013 Dealer Cooperatives Proposed Regulation. We believe the proposed regulation must be modified to bring it in line with SB 1013's statutory requirements and avoid widespread consumer confusion and frustration.</p> <p>RCRC is an association of forty rural California counties, and the RCRC Board of Directors is comprised of elected supervisors from each member county. RCRC has long advocated for expansion of convenient beverage container redemption opportunities. The Environmental Services Joint Powers Authority, which includes twenty-seven of RCRC's forty member counties, supported SB 1013 (Atkins, Chapter 610, Statutes of 2022) to increase consumer access to convenient redemption opportunities and improve the amount and quality of glass entering the recycling system.</p> <p>Convenient beverage container redemption opportunities do not exist for many Californians. Without convenient redemption opportunities, the Beverage Container Recycling Program (Program) becomes a regressive tax that disproportionately impacts lower-income Californians. For this reason, it should be as easy for a consumer to get his or her CRV deposit back as it is to pay it in the first place.</p> <p>RCRC believes dealer cooperatives will increase access to convenient beverage container redemption opportunities and could form the foundation for development of depots that take back a wide variety of recyclable materials. RCRC appreciates CalRecycle's efforts to create a clear regulatory structure for the establishment of dealer cooperatives to redeem beverage containers. Unfortunately, we fear that the proposed regulations – as currently drafted – fall short of SB 1013's expectations, will increase consumer confusion and frustration, and could be manipulated by cooperatives to the detriment of consumers.</p>	CalRecycle rejects this comment because this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. We thank you for your participation in the 45-day public comment period.
O- 3 -3	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	John Kennedy	Rural County Representatives of California	<p>SB 1013 Intended to Increase Consumer Access to Redemption Opportunities</p> <p>Senate Bill 1013 was intended to increase consumer access to redemption opportunities.1 It did so by repealing the ability for dealers in unserved zones to pay a \$100/day in lieu fee to the state to avoid having to take empty containers back from consumers. Under SB 1013, dealers in unserved zones must either take containers back in-store or join a dealer cooperative that redeems empty containers. Dealer cooperatives are supposed to provide a level of convenience comparable to the existing redemption system.</p> <p>Proposed Regulations Conflict With SB 1013 and Fail to Provide Comparable Consumer Access to Redemption Opportunities</p> <p>Under SB 1013, CalRecycle's regulations must "provide access and convenience for consumers comparable to subdivision (a) of Section 14571."2 That section requires at least one recycling center or location within every convenience zone that accepts and pays the refund value for all types of empty beverage containers. The proposed regulations, however, directly contradict this requirement by absolving the dealer cooperative from having to have at least one location where all types of empty beverage containers can be redeemed.</p> <p>Proposed Section 2375.1(b)(7)(E) states that, "Not all redemption locations are required to redeem all beverage container material types." There is nothing in the proposed regulations requiring all container types to be redeemed at a single location. This directly conflicts with PRC 14578.5's requirement to provide comparable consumer access to redemption opportunities pursuant to PRC 14571 (which itself requires at least one location to accept all types of beverage containers).3 The proposed regulations seek to remedy this conflict by requiring all beverage container types to be redeemed within each convenience zone. Under this model, a dealer cooperative could deploy multiple redemption machines or centers across the convenience zone, with each location accepting only a single container type. Under this system, a consumer may only be able to redeem plastic containers at one location before having to drive to a second location to redeem glass bottles and a third location to redeem cans. This framework establishes a perverse model that will increase consumer confusion and force consumers to play "whack-a-mole" when trying to redeem CRV containers. Having a clear expectation that at least one location in each convenience zone will redeem all container types will help address this concern.</p>	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees clarification is necessary and will add clarification that at least one redemption location in each unserved convenience zone covered by the stewardship plan shall redeem all beverage container material types with immediate payment of the refund value a minimum of 10 hours per week, with no less than five of those hours on a Saturday or Sunday between the hours of 9 a.m. and 5 p.m.
O- 3 -4	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	John Kennedy	Rural County Representatives of California	<p>RCRC appreciates changes to the proposed regulations to clarify that dealer cooperatives shall not refuse to redeem beverage containers that are not sold by dealer members of that cooperative.4 This is a marked improvement, as the pre-regulatory draft only required dealer cooperatives to redeem those containers and brands sold by member dealers. We agree that dealer cooperatives must be required to redeem all CRV containers, regardless of the brand or who sold them. At the same time, the regulations should be modified to resolve inconsistency between the first and second sentences of Section 2375.1(B)(7)(A). While the second sentence requires a dealer cooperative to redeem all CRV containers regardless of who sold it, the first sentence still only requires the dealer cooperative to have "the capability to provide convenient redemption of all material types, and the capacity to redeem 100 percent of the beverage containers sold by the dealer members into convenience zones in which any of the dealer members operate." This second clause must be stricken as it causes confusion and is fundamentally inconsistent with the requirement to redeem all containers and beverages - not just those sold by dealer members.</p> <p>Unless amended, the proposed regulation will both increase vehicle miles traveled (VMT) and consumer frustration because they deny consumers the one stop redemption shop to which they are entitled under PRC 14571. This model may also be exploited by dealer cooperatives to obstruct consumers, resulting in the "donation" of containers that the operator refuses to redeem at a given location. These "donated" materials would then provide additional revenues that enrich the operator at the consumer's expense. Again, this strikes RCRC as patently unfair to the consumer expectations set forth in SB 1013.</p>	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees clarification is necessary and will add clarification that the dealer cooperative must have the capacity to redeem an amount of beverage containers equal to 100% of the beverage containers sold by dealer members, not 100% of the actual beverage containers sold by its dealer members. With this clarification, the provision is necessary to retain to ensure that small dealer cooperatives are not overwhelmed with a requirement to redeem an amount of beverage containers that far exceeds the amount of beverage containers sold by its dealer members.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 3 -5	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	John Kennedy	Rural County Representatives of California	<p>Daily Redemption Limits Will Severely Undermine Consumer Ability to Recover Deposits</p> <p>These proposed regulations commendably seek to facilitate the deployment of innovative methods of redemption, such as bag drop program, reverse vending machines, and mobile collection programs. Unfortunately, by requiring at least one "innovative method of redemption" in each dealer cooperative,⁵ the regulations ultimately mandate the use of redemption solutions that are inherently unable to provide the level of service that consumers need and deserve.</p>	<p>CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to the minimum requirement of one innovative redemption method and allowing redemption limits. The following changes have been made: the deletion of section 2375.1(b)(6) in its entirety, and the addition of a provision allowing the establishment of daily redemption limits with at least one location in each convenience zone accepting all material types operating a minimum of 10 hours per week.</p>
O- 3 -6	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	John Kennedy	Rural County Representatives of California	<p>The proposed regulations allow dealer cooperatives to establish daily customer redemption limits.⁶ This appears to be "necessary" because CalRecycle insists on requiring the inclusion of innovative methods of redemption into dealer cooperative programs.⁷ "Innovative methods of redemption" are presumably unable to accept all container types and forms and may not have the same storage capacity as conventional redemption centers.</p> <p>Daily redemption limits will most harm those residents who live in rural areas of the state where consumers save large quantities of bottles and cans because of the long distance to the redemption center. Assuming an average price of gasoline of \$5/gallon and vehicle fuel efficiency of 20 miles/gallon, it would cost a consumer 100 cans just to break even to take their CRV containers to a redemption center located 10 miles away. In rural areas where distances to redemption opportunities are even greater, daily redemption limits will effectively undermine consumers' ability to recover deposits and could lead to a significant regional reduction in the quantity of containers recycled. Even in urban areas, these limits could increase VMT by forcing consumers to make multiple trips to redeem their containers.</p> <p>Rather than accommodate the use of technology that falls short of existing requirements, CalRecycle should instead require technology to adapt to participate in the program. Unfortunately, this overaccommodation of "innovative methods of redemption" will do a great disservice to consumers and their ability to redeem empty beverage containers.</p>	<p>CalRecycle rejects this comment. The proposed regulatory text has been changed to remove the requirement that dealer cooperatives must utilize one innovative method of redemption. Even though this requirement has been removed, CalRecycle still anticipates that dealer cooperatives will opt to utilize this technology. Therefore, redemption limits are necessary to include in the regulatory text as an option to dealer cooperatives. CalRecycle anticipates that redemption limits would be set based on the technology capabilities (for example, reverse vending machines will have a finite volume capacity for beverage containers). Because of the performance standards that require redemption of an amount of beverage containers equal to 80% of those sold by dealer members into an unserved convenience zone, CalRecycle does not anticipate that dealer cooperatives would set unreasonable redemption limits as that would prevent their ability to meet their redemption performance standard.</p>

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 3 -7	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	John Kennedy	Rural County Representatives of California	Suggested Modifications to the Regulatory Text To protect consumers and avoid inconsistency with other statutes, RCRC suggests the following modifications to the Draft Regulations (changes are signified in bold, italicized font): 14 CCR 2375.1(b)(6) "A minimum of one innovative method of redemption per convenience zone. <i>This may include a corresponding daily redemption limit for the innovative method of redemption pursuant to subparagraph (B) of paragraph (8).</i> "	CalRecycle rejects this comment. The proposed regulatory text has been changed to remove the requirement that dealer cooperatives must utilize one innovative method of redemption. Even though this requirement has been removed, CalRecycle anticipates that dealer cooperatives will opt to utilize this technology. Therefore, redemption limits are necessary to include in the regulatory text as an option to dealer cooperatives. CalRecycle anticipates that redemption limits would be set based on the technology capabilities (for example, reverse vending machines will have a finite volume capacity for beverage containers). Because of the performance standards that require redemption of an amount of beverage containers equal to 80% of those sold by dealer members into an unserved convenience zone, CalRecycle does not anticipate that dealer cooperatives would set unreasonable redemption limits as that would prevent their ability to meet their redemption performance standard.
O- 3 -8	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	John Kennedy	Rural County Representatives of California	14 CCR 2375.1(b)(7) (A) "How the dealer cooperative will have the capability <i>and capacity</i> to provide convenient redemption of all material types, <i>and the capacity to redeem 100 percent of the beverage containers sold by dealer members into convenience zones in which any of the dealer members operate.</i> A dealer cooperative shall not refuse to redeem a beverage container on the basis that the beverage container material type or the beverage type is not sold by a dealer member of the dealer cooperative."	CalRecycle rejects this comment. The stewardship plan requirement to describe their capacity to redeem 100% of beverage containers sold is necessary to increase consumer convenience. PRC section 14501(c) establishes an 80% recycling rate. The stewardship plan requirement for the dealer cooperative to describe how redemption sites will meet a minimum of 100% capacity of beverage containers sold by its dealer members is necessary to effectuate this statutory provision because it increases the efficiency and effectiveness of recycling efforts. The quantified standard ensures that the dealer members provide stewardship of the containers they sell from the point of purchase at the dealer store, to the redemption through the dealer cooperative, and ultimately to be cancelled at a processor.
O- 3 -9	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	John Kennedy	Rural County Representatives of California	14CCR 2375.1(b)(7)(E) "Not all redemption locations are required to redeem all beverage container material types, <i>but at least one location in each convenience zone must redeem all beverage container material types.</i> All beverage container material types shall be redeemed as part of the stewardship program within each convenience zone in which the dealer cooperative operates."	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to allowing redemption limits. The following changes have been made: the addition of a provision allowing the establishment of daily redemption limits with at least one location in each convenience zone accepting all material types operating a minimum of 10 hours per week, with at least 5 of those hours being on a Saturday or Sunday.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 3 -10	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	John Kennedy	Rural County Representatives of California	14 CCR 2375.1(b)(8)(B) "The stewardship plan may establish redemption limits, such as per customer per day or per innovative method of redemption, if the necessity of the redemption limit is established and justified in the stewardship plan. The justification shall demonstrate that the needs of the community and the goals of the Act will be best served by the redemption limits. The department may disapprove a stewardship plan pursuant to section 2376 if it does not find the justification sufficient."	CalRecycle rejects this comment. The provision allowing redemption limits is necessary to provide flexibility of standards for dealer members to comply with their legal obligations. PRC section 14578.5(c)(3)(A) requires that dealer cooperatives redeem all material types and offer one or more redemption locations within the dealer cooperative zone and CalRecycle will retain this provision with the addition of requiring a minimum of one location within a convenience zone with no material type limits a minimum of 10 hours per week to effectuate this statutory provision. Redemption limits are necessary to allow flexibility for redemption sites to use methods of redemption that have physical storage limits, while also maintaining the objective of comparable consumer convenience.
O- 4 -1	Comment Letter		Website	Lauren Smillie	RMS, Inc.		
O- 4 -2	[Subchapter 4.5 Art. 2] Dealers	2373. Dealer Redemption Requirements	Website	Lauren Smillie	RMS, Inc.	Definitions The fully operational definition in Section 2370(e) doesn't necessarily create an issue. However, the concept that a cooperative's plan must be fully operational before a dealer's obligation to take recyclables back in store is expunged needs to be revisited. Today, a dealer can choose Option A or B, and then comply with the requirements of the Option. Under the proposed regulation, even a Dealer that chooses to join the Cooperative may be required to continue taking back in store because a plan is not fully operational. We can foresee a myriad of reasons that may prevent a plan from being fully operational by January 1, 2025, including supply chain issues, shortages of RVMs, issues with local government permitting and others. Any issue out of the control of the Dealer Cooperative should not be used to penalize Dealers that have joined in a good faith attempt to address their responsibility under State law.	CalRecycle rejects this comment. PRC section 14578 requires a dealer in an unserved convenience zone, unless exempted, to meet either PRC section 14578(a)(1) by redeeming in store, or PRC section 14578(a)(2) by joining a dealer cooperative. In order to satisfy PRC section 14578(a)(2)(A), the dealer cooperative must be operational. PRC section 14578(b)(3) requires the stewardship plan to be fully implemented and providing redemption opportunities. Until the requirements of PRC section 14578(a)(2)(A) are satisfied and the dealer cooperative is fully operational, the dealer must redeem in store per PRC section 14578(a)(1).
O- 4 -3	[Subchapter 4.5 Art. 2] Dealers	2371. Dealer Registration	Website	Lauren Smillie	RMS, Inc.	Registration We don't fully understand the need for all Dealers in the State to register with the Department. Today, the Department knows which Dealers are located in unserved zones and those are the Dealers required to make a change effective January 1, 2025. Expanding the registration requirement to all Dealers is an incredible task that will consume an inordinate amount of resources by the Department. The Department may want to consider phasing in the registration process requiring those Dealers in unserved zones to register first and sometime in 2025 expanding the registration requirement to all other Dealers.	CalRecycle rejects this comment. Section 2371(a) as proposed requires registration for dealers in convenience zones only, not all dealers in the state. Registering dealers in served, unserved, and exempted convenience zones prevents processing delays when a convenience zone becomes either served or unserved and ensures correct identification of exempt dealers.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 4 -4	[Subchapter 4.5 Art. 2] Dealers	2371. Dealer Registration	Website	Lauren Smillie	RMS, Inc.	Will a Dealer receive proof of registration upon completion of the online registration? We have concerns whether the Department will be able to issue dealer registration numbers within 45 days and do not want Dealers to be subject to enforcement activity.	CalRecycle accepts this comment. When a dealer submits the electronic form to start the registration process, the system will generate an acknowledgement with a unique number. This proof of submittal indicates the dealer has initiated the registration process but it does not satisfy the requirement for a dealer to be registered until the registration has been completed and a registration number is issued by CalRecycle to the dealer. To clarify at what point in the registration process the dealer has been registered, CalRecycle will make amendments to the proposed section 2371(d) to specify that CalRecycle providing the registering dealer with a dealer registration number confirms that registration was successful.
O- 4 -5	[Subchapter 4.5 Art. 2] Dealers	2371. Dealer Registration	Website	Lauren Smillie	RMS, Inc.	Finally, on this point, we recommend the Department only seek registration information critical to implementation of SB 1013. Some of the information proposed in the regulation seems unnecessary for the purposes of creating a dealer cooperative and may delay the entire process because it's overly burdensome to dealers.	CalRecycle rejects this comment. The comment does not specify the registration information perceived to be unnecessary or burdensome and does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. Dealer registration is not strictly for the purpose of joining a dealer cooperative. Dealer cooperatives have their own registration process. The information required by section 2371 is the minimum information needed to identify and verify a dealer, to identify the people who can be contacted regarding the dealer, and to determine whether or not a dealer is exempt as defined in PRC section 14578.
O- 4 -6	[Subchapter 4.5 Art. 2] Dealers	2373. Dealer Redemption Requirements	Website	Lauren Smillie	RMS, Inc.	Dealer Redemption Requirements Section 2373(b) and (c) are in conflict. (b) states a dealer must continue to take product back in store until the approved stewardship plan is fully operational. (c) states a dealer that is a member of a cooperative is not required to redeem on the dealer's premises if the cooperative's stewardship plan is operational. What's the difference in (b) and (c) that makes two subsections necessary?	CalRecycle rejects this comment. Sections 2373(b) and 2373(c) are in alignment with PRC section 14578(a)(2)(A) and 14578(b)(3). Section 2373(b) clarifies that in order to satisfy PRC section 14578(a)(2)(A), the dealer cooperative must be operational. Section 2373(c) clarifies that a dealer in an operational dealer cooperative does not redeem in store unless that is part of the dealer cooperative's stewardship plan.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 4 -7	[Subchapter 4.5 Art. 2] Dealers	2373. Dealer Redemption Requirements	Website	Lauren Smillie	RMS, Inc.	Also, we refer back to our concern with the requirement of a plan being fully operational before a dealer is relieved of the requirement to redeem in store.	CalRecycle rejects this comment. PRC section 14578 requires a dealer in an unserved convenience zone, unless exempted, to meet either PRC section 14578(a)(1) by redeeming in store, or PRC section 14578(a)(2) by joining a dealer cooperative. In order to satisfy PRC section 14578(a)(2)(A), the dealer cooperative must be operational. PRC section 14578(b)(3) requires the stewardship plan to be fully implemented and providing redemption opportunities. Until the requirements of PRC section 14578(a)(2)(A) is satisfied and the dealer cooperative is fully operational, the dealer must redeem in store per PRC section 14578(a)(1).
O- 4 -8	[Subchapter 4.5 Art. 2] Dealers	2374. Implementation Period for Stewardship Plan Submission and Dealer Redemption Requirements	Website	Lauren Smillie	RMS, Inc.	Implementation Period for Stewardship Plan Submission Section 2374(a) and (c) are in conflict, stated above in Section 2373. (a) states a Dealer member of a cooperative has satisfied its obligations under Section 14578(a) of the Act due to the cooperative submitting a plan within 120 days of the effective date of the regulation. However, (c) states the stewardship plan must be fully operational before the requirements of the Act are satisfied.	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle has amended the proposed regulations to delete section 2374 in its entirety. The deletion of section 2374 will ensure that there is not a significant period of time when an unserved convenience zone does not have redemption either as part of a dealer cooperative or through dealers redeeming in store.
O- 4 -9	[Subchapter 4.5 Art. 3] Stewardship Plan	2375. Stewardship Plan Submission	Website	Lauren Smillie	RMS, Inc.	Stewardship Plan Submission Section 2375(b)(2) needs to be deleted. We do not understand why Dealer members of the Cooperative should be legally liable for the approved stewardship plan. This requirement alone will create significant issues for Dealers resulting in a large number declining to join the Cooperative.	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to legal liability of dealer members and the dealer cooperative for an approved stewardship plan. The framework for liability for violations of the Act and Regulations is established in PRC section 14591.2(a) and the surrounding sections; therefore, this regulatory provision relating to liability is unnecessary. CalRecycle deleted proposed paragraph (2) of subdivision (b) of section 2375 in the proposed regulations that were released for the 15-day comment period.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 4 -10	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Lauren Smillie	RMS, Inc.	Section 2375(b)(6) states a minimum of one innovative method of redemption per convenience zone must be included in the plan. Section 14578.5(c)(1) of the Public Resources Code provides that the plan submitted by the Cooperative "shall include sufficient redemption opportunities for consumers that have comparable consumer convenience to the requirements of Section 14571 and include, but are not limited to, pilot projects described in Section 14571.9." Section 2375(b)(6) should be deleted because it is not consistent with the Public Resources Code.	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to the minimum requirement of one innovative redemption method and allowing redemption limits. The following changes have been made the deletion of provision in section 2375.1(b)(6) in its entirety, and the addition of a provision allowing the establishment of daily redemption limits with at least one location in each convenience zone accepting all material types operating a minimum of 10 hours per week.
O- 4 -11	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Lauren Smillie	RMS, Inc.	The definition of 'convenient redemption' in Section 2375(b)(7)(B) states that it is "comparable to the requirements of section 14571 and section 14571.9 of the Act" Yet, the requirements included in (i), (ii) and (iii) are essentially the same as prescribed in law today. The concept of the Dealer Cooperative was intended to provide flexibility from the unsuccessful constraints of current law and allow for new concepts to be explored that provide 'consumer convenience that is comparable' to the requirements of current law. As proposed, the Department is simply telling a new entity, a Dealer Cooperative, to make current law work. We do not believe this was the intent behind SB 1013, nor do we believe this model can be successful.	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to defining consumer convenience. The following changes have been made to the regulation text: the addition of a definition defining "consumer convenience that is comparable to the requirements of section 14571 and section 14571.9 of the Act" with quantifiable minimum hours of operation. It is necessary to insert quantifiable hours that are similar to recycling centers even though this reduces the flexibility of dealer cooperatives because this ensures consumer convenience and access to redemption.
O- 4 -12	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Lauren Smillie	RMS, Inc.	The use of the term 'convenience zone' in the proposed regulation should be limited and not used as a definition of consumer convenience. Time has shown the model of requiring a redemption opportunity within a certain distance of a dealer is not sustainable. A stewardship plan submitted to the Department may want to use local demographics to justify its ability to provide convenience that is comparable to current law. This should be allowed but isn't currently under the proposed regulation. We propose maximum flexibility for a dealer cooperative to utilize innovative recycling methods, pilot programs and data to justify how convenience can be obtained. A one size fits all formula will not work.	CalRecycle rejects this comment. With regard to using convenience zones to define consumer convenience this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. At this time, CalRecycle does not have the statutory authority to redefine consumer convenience and limit the use of convenience zones within dealer cooperative regulations. Statute PRC Section 14578.5(c)(1) requires that dealer cooperatives submit a redemption plan to provide redemption in one or more unserved convenience zones.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 4 -13	[Subchapter 4.5 Art. 3] Stewardship Plan	2378. Stewardship Plan Changes and Notification	Website	Lauren Smillie	RMS, Inc.	Stewardship Plan Changes and Notification We recommend a deadline for the Department to approve or disapprove a change to the stewardship plan of no more than 21 days. (Section 2378(a)(2)).	CalRecycle rejects this comment. PRC section 14578(a)(2)(A) identifies CalRecycle as the authoritative entity to approve or disapprove stewardship plans, which includes changes to the plan, and the timeline to approve or disapprove of changes to stewardship plans is necessary to effectuate this statutory provision for the following reason: less time for such review would not provide adequate time for CalRecycle to communicate its findings of whether or not the proposed change helps increase consumer convenience and access for CRV redemption considering the numerous amount of dealers, and potentially dealer cooperatives, across the state that CalRecycle regulates. In addition, 30 days, rather than 21 days, is consistent with other timeframes for review in the proposed regulations.
O- 4 -14	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2381. Reporting	Website	Lauren Smillie	RMS, Inc.	Reporting Section 2381(a)(2) states the report shall be submitted 'electronically in writing'. Which is it? Delete 'in writing' to reduce confusion.	CalRecycle rejects this comment. Based on interested party feedback at workshops held for these regulations, the public was unclear about the extent to which dealer cooperatives could employ non-dealer staff. This provision clarifies that dealer cooperatives may employ other persons outside of their dealer members and is necessary to provide flexibility of standards for dealer members to comply with their legal obligations. PRC section 14578.5(c)(3)(B) allows the dealer cooperative redemption program to hire contractors as part of the redemption services. The proposed requirement clarifies the statute allowing this option.
O- 4 -15	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2381. Reporting	Website	Lauren Smillie	RMS, Inc.	Section 2381(c)(3) requires the Cooperative to submit the number of beverages in beverage containers sold by dealer members into each convenience zone. Why is this information needed and why should the Cooperative be reporting dealer numbers, from all convenience zones? This information is already available to the Department from distributors. This seems like an additional burden placed on the Cooperative, not core to its mission.	CalRecycle rejects this comment. Section 2381(c)(3) is necessary to create greater consumer convenience and access to CRV redemption. PRC section 14578.5(c)(6) establishes statutory authority to CalRecycle to require reports of any relevant information from dealer cooperatives regarding empty beverage containers, and requiring a report of the number of beverages in beverage containers cumulatively sold by dealer members of the dealer cooperative into convenience zones is necessary to effectuate this statutory provision because CalRecycle can use the data to determine whether a dealer cooperative is achieving the quarterly performance standards established in its stewardship plan and is successful in creating greater consumer convenience and access to CRV redemption.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 4 -16	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2382. Dealer Cooperative Operation	Website	Lauren Smillie	RMS, Inc.	Dealer Cooperative Operation Section 2382(e)(1) is not necessary and should be deleted. It's obvious a Cooperative will need to employ staff to operate.	CalRecycle rejects this comment. Based on interested party feedback at workshops held for these regulations, the public was unclear about the extent to which dealer cooperatives could employ non-dealer staff. This provision clarifies that dealer cooperatives may employ other persons outside of their dealer members and is necessary to provide flexibility of standards for dealer members to comply with their legal obligations. PRC section 14578.5(c)(3)(B) allows the dealer cooperative redemption program to hire contractors as part of the redemption services. The proposed requirement clarifies the statute allowing this option.
O- 4 -17	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2382. Dealer Cooperative Operation	Website	Lauren Smillie	RMS, Inc.	Section 2382(f) should be deleted. Once a Cooperative is operating within a zone , no other cooperative should be allowed. This is the one time where using the convenience zone model is appropriate. Allowing more than one cooperative in any one convenience zone will reduce volumes and make the long-term viability of the operation unsustainable.	CalRecycle rejects this comment. The provision allowing multiple dealer cooperatives to operate in the same unserved convenience zone is designed to aid the statutory objective of increasing consumer convenience and providing flexibility of standards for dealer members to comply with their legal obligations. The provision is reasonable because the nature of dealer cooperatives is a voluntary option for dealers under PRC section 14510.2. Their legal obligation under PRC section 14578(a) is to redeem in-store or to join a dealer cooperative. If the dealer cooperative formed by other members in the unserved zones is for any reason undesirable for a dealer member to join, then that dealer member can form their own dealer cooperative. Restricting the number of dealer cooperatives in a single unserved convenience zone thereby removes their voluntary choice to either redeem or join a dealer cooperative.
O- 5 -1	Comment Letter		Website	Isaac Bryan	Chair, Assembly Committee on Natural Resources		
O- 5 -2	Unclassified		Website	Isaac Bryan	Chair, Assembly Committee on Natural Resources	SB 1013 was intended to ensure Californians have access to redemption centers by requiring dealers in unserved zones to either take back beverage containers directly or to participate in a dealer cooperative that provides convenient redemption opportunities to consumers. The current draft regulations do not reflect the requirements of that important bill.	CalRecycle rejects this comment. This comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 5 -3	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Isaac Bryan	Chair, Assembly Committee on Natural Resources	14 CCR 2375.1(b)(6) requires each dealer cooperative to provide at least one "innovative method of collection" in each convenience zone. While the Legislature has indicated its support of innovative recycling options, such as reverse vending machines (RVMs), bag drop, and various pilot programs, by passing various bills that encourage the development and use of alternatives to conventional recycling centers, there is nothing in SB 1013 or related laws that direct CalRecycle to require their use over other redemption options. The goal of SB 1013 was to encourage the dealer cooperatives to determine, and implement, the best redemption options for the communities in which they operate, not to dictate which option they choose.	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle accepts this comment and has deleted the provision that each dealer cooperative stewardship plan include a minimum of one innovative method of redemption. The proposed regulatory text no longer requires an innovative method of redemption.
O- 5 -4	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Isaac Bryan	Chair, Assembly Committee on Natural Resources	More concerning, 14 CCR 2375.1(b)(7)(E) in the draft regulations specifies that "not all redemption locations are required to redeem all beverage container material types." While this provision additionally states that all beverage container material types must be redeemed within each convenience zone, it is not clear that there will be any one location a consumer can visit to redeem all containers. This may lead to a great deal of consumer confusion and frustration. This is inconsistent with the direction given to CalRecycle in SB 1013, which requires that the dealer cooperatives must provide access and convenience for consumers that are comparable to Public Resources Code 14571(a). That subdivision requires convenience zone recyclers to accept and pay the refund value "for all types of empty beverage containers and [be] open for business during at least 30 hours per week."	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to allowing redemption limits. The following changes have been made: the addition of a provision allowing the establishment of daily redemption limits with at least one location in each convenience zone having no redemption material limits operating a minimum of ten hours per week.
O- 5 -5	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Isaac Bryan	Chair, Assembly Committee on Natural Resources	This provision seems to be included only because CalRecycle is requiring each convenience zone to have at least one innovative method of collection, which includes RVMs. RVMs are an important option to redeem many beverage containers; however, they are unable to accept very large or very small containers and containers with unusual shapes, including many of the containers added to the program by SB 1013. Existing statute acknowledges this shortcoming by requiring that RVMs that are unable to accept all beverage containers to provide an attendant to accept all types of beverage containers for no less than 10 hours per week, as specified, and be operational and functioning no less than 70 hours per week (Public Resources Code 14571(f)). This provision of the draft regulations is inconsistent with both the intent and letter of statute.	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to the minimum requirement of one innovative redemption method and allowing redemption limits. The following changes have been made the removal of provision 2375.1(b)(6) in its entirety, and the addition of a provision allowing the establishment of daily redemption limits with at least one location in each convenience zone accepting all material types operating a minimum of 10 hours per week.
O- 6 -1	Comment Letter		Website	Susan Collins	Container Recycling Institute	Please see comment attached. Thank you!	
O- 6 -2	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2381. Reporting	Website	Susan Collins	Container Recycling Institute	General Comments First, CRI applauds CalRecycle for making incredibly thorough draft regulations to describe the reporting, registration, stewardship plan, and operating requirements for dealers and dealer cooperatives. At 43 pages, CalRecycle's draft document is both extensive and comprehensive. We recognize the changes that were put into place since the previous comment period, particularly in regard to clarifying redemption capacity, changing the "downtime" definition in §2381, clarifying the administrative civil penalty in accordance with §14591.1(a)(2) of the California Beverage Container and Litter Reduction Act, and adding definitions to the terms "fully operational" and "redemption location"/ "redemption site". We especially applaud the specificity of reporting mechanism outlined in §2381 (Reporting), in ensuring that performance of the stewardship plan would be measured in a way that would improve consumer convenience.	CalRecycle rejects this comment because this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. We thank you for your participation in the 45-day public comment period.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 6 -3	[Subchapter 4.5 Art. 3] Stewardship Plan		Website	Susan Collins	Container Recycling Institute	The need to disallow anti-competitive practices and discriminatory practices and pricing CRI has a handful of general suggestions as well that could pertain to multiple parts of this document. First, there is currently no language within these regulations enforcing what may happen if grocery stores create a dealer cooperative and refuse to let other organizations join their dealer cooperative. This would, in turn, give smaller (or independent) stores only two options to comply with the law: (1) in-store redemption and take-back or (2) form their own dealer coop, which might be for only one store or a few stores, with little to no economy of scale.	CalRecycle rejects this comment. Allowing dealer cooperatives the ability to select their own membership is designed to aid the statutory objective of increasing consumer convenience and providing flexibility of standards for dealer members to comply with their legal obligations. The provision is reasonable because the autonomy to choose dealer members gives dealer cooperatives authority to encourage compliance with the stewardship plan, as well as the flexibility to exclude dealer members that may not be beneficial to its redemption goals. It also complies with PRC section 14510.2, which provides that dealer cooperatives are voluntary.
O- 6 -4	[Subchapter 4.5 Art. 3] Stewardship Plan		Website	Susan Collins	Container Recycling Institute	Another potential scenario is one where a large chain or group of stores forms a coop, and charges discriminatory fees for other stores to join the coop. Perhaps the regulations should clarify that the fees charged to each store are meant to be equal, in terms of a per-container-sold fee. Furthermore, any potential anti-competitive practices or pricing schemes could be hidden from the view of the public and CalRecycle through the use of non-disclosure agreements (NDAs) or fear of discussing pricing because of anti-trust laws. We have seen these types of problems arise in other depositrefund states. While these scenarios are hypothetical, the regulations as they stand do allow for this, therefore allowing for anticompetitive behavior. We suggest adding language to the regulations to disallow such anticompetitive behavior and practices.	CalRecycle rejects this comment. Allowing dealer cooperatives to set their dealer membership fees is designed to aid the statutory objective of increasing consumer convenience and providing flexibility of standards for dealer members to comply with their legal obligations. This is reasonable because the autonomy for dealer cooperatives to manage their dealer membership gives dealer cooperatives authority over finances to implement and maintain the stewardship plan, as well as the flexibility to make this determination.
O- 6 -5	Unclassified		Website	Susan Collins	Container Recycling Institute	Donation-only sites We wanted to highlight a language issue in relation to CalRecycle's grants to organizations that are setting up "donation-only" sites, where the operator chooses the organization. The two companies that were awarded grants are planning to put these donation-only sites in unserved zones. We are hoping that CalRecycle does not consider this as compliance for the purposes of creating a "served" zone and change these zones to the status of "served." It should be clear that a zone is only "served" if consumers can receive full refunds of their deposits, and the same is true for the redemption opportunities that dealer cooperatives provide.	CalRecycle rejects this comment. This comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process.
O- 6 -6	Unclassified		Website	Susan Collins	Container Recycling Institute	All throughout these regulations, the term "redemption" is used; however, the term "redemption" is not traditionally used in regard to donation-only sites. We are worried that this will become a creeping standard where the word "redemption" is used in a novel way. We are asking for language in these regulations that addresses this discrepancy, making this language clear for these new grants as well as future grant opportunities and the dealer cooperatives. Additionally, it is unclear whether these donation-only programs are eligible for handling fees; §2382(l) explains that a dealer cooperative with an operational stewardship plan is eligible for handling fees, so additional language is needed to clarify if these donation-only sites are eligible as well.	CalRecycle rejects this comment. The scope of this rulemaking is limited to dealer registration and dealer cooperatives. Whether donation-only redemption sites are eligible for handling fees exceeds the scope of this rulemaking package because it extends to recycling center operations. CalRecycle notes that the only place in the regulations in which the word "donated" was used, section 2535(a)(2), has been removed, and section 2535 is no longer being amended in this regulation package.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 6 -7	[Subchapter 2 Art. 1] Certification Application Procedures	2030. Review of Applications	Website	Susan Collins	Container Recycling Institute	<p>CR1 would like to suggest additional amendments to the following sections:</p> <p>Review of Applications (§2030)(g)(9)</p> <p>This section explains that a proposed recycling center will not have an application approved if there is already a dealer cooperative located in the convenience zone, and if this dealer cooperative is in good standing and has demonstrated compliance. Does this give supremacy or priority to the dealer cooperative? This is unclear in the regulations as they stand and related to the lack of anticompetitive language described in our comments above. Note that, in any particular convenience zone, there may be as few as one single dealer that is a member of a dealer cooperative, so a proposed recycling center may be offering more service to consumers than a single-store dealer cooperative in the convenience zone. These two levels of service might not be "comparable," which pertains to the "comparable" language on page 13 of the draft regulations.</p>	<p>CalRecycle rejects this comment in part and declines to delete the provision of the regulations regarding CalRecycle's rejection of applications for proposed recycling centers to locate in unserved convenience zones with a fully operational dealer cooperative. The provision is necessary because it aids in the statutory objective of creating greater consumer convenience in an unserved zone. A dealer cooperative will provide redemption throughout the unserved zone, which would achieve the objective of SB 1013.</p> <p>CalRecycle does not foresee the scenario described in your comment becoming a widespread problem for California dealer cooperatives because unserved convenience zones are unserved due to a recycling center not having chosen to locate there, therefore it's unlikely many recycling centers will apply to operate in unserved zones in which there is a fully operational dealer cooperative. CalRecycle disagrees with the contention that this provision gives priority or supremacy to dealer cooperatives, because if there is already a recycling center operating in a zone, then the zone is served and the dealer cooperative is ineligible to operate there. However, in order to eliminate any confusion conveyed by the comment, CalRecycle accepts this comment in part by making the following changes: CalRecycle has clarified that the regulation text applies if there is "at least one" dealer cooperative, since more than one may be operating in a single unserved zone. Additionally, the "good standing" criteria has been deleted to increase clarity since the term "good standing" could be construed as ambiguous.</p>
O- 6 -8	[Subchapter 4.5 Art. 2] Dealers	2373. Dealer Redemption Requirements	Website	Susan Collins	Container Recycling Institute	<p>Dealer Redemption Requirements (§2373)(b) This section indicates that a dealer in an unserved convenience zone that is a member of a dealer cooperative must comply with Section 14578(a)(1) of the California Beverage Container Recycling and Litter Reduction Act until their approved stewardship plan is fully operational. This means that there is a time when dealers will be between plan submission and approval; during this period, dealers are not in an approved stewardship plan, but still have to comply with the law.</p>	<p>CalRecycle rejects this comment. PRC section 14578 requires a dealer in an unserved convenience zone, unless exempted, to meet either PRC section 14578(a)(1) by redeeming in store, or PRC section 14578(a)(2) by joining a dealer cooperative. In order to satisfy PRC section 14578(a)(2)(A), the dealer cooperative must be operational. PRC section 14578(b)(3) requires the stewardship plan to be fully implemented and providing redemption opportunities. Until the requirements of PRC section 14578(a)(2)(A) are satisfied and the dealer cooperative is fully operational, the dealer must redeem in store per PRC section 14578(a)(1).</p>
O- 6 -9	[Subchapter 4.5 Art. 3] Stewardship Plan	2376. Stewardship Plan Review and Approval or Disapproval; Operational Notice	Website	Susan Collins	Container Recycling Institute	<p>Also, in (§2376), we appreciate the clarification in this draft on the dealers' obligations during the time of the "in limbo" period before the stewardship plan is approved.</p>	<p>CalRecycle rejects this comment because this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. We thank you for your participation in the 45-day public comment period.</p>

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 6 -10	[Subchapter 4.5 Art. 3] Stewardship Plan	2375. Stewardship Plan Submission	Website	Susan Collins	Container Recycling Institute	Stewardship Plan Submission, §2375 After a dealer cooperative submits a stewardship to CalRecycle, it must post the submitted plan to its website (§2375(a)(1)). CRI recommends that the public also receive notification of submitted plans from dealer cooperatives on CalRecycle's website and listservs in addition to posting on the dealer cooperative's website.	CalRecycle rejects this comment. CalRecycle disagrees that this regulation should require the public be notified of submitted dealer cooperative stewardship plans on CalRecycle's website or listserv because the addition of this notification is unnecessary. Publishing the stewardship plan to a website pursuant to section 2375(a)(4) is sufficient to enable interested persons, including the public and others interested in dealer cooperative stewardship plans, to review and understand the stewardship initiatives proposed by the dealer cooperative. CalRecycle may still choose to notify the public of submitted stewardship plans in the absence of a regulatory provision imposing the notification as a requirement.
O- 6 -11	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Susan Collins	Container Recycling Institute	Stewardship Plan Contents, §2375.1 As part of the stewardship plan, the dealer cooperative must detail how they "will have the capability to provide convenient redemption of all material types, and the capacity to redeem 100 percent of the beverage containers sold by dealer members into convenience zones in which any of the dealer members operate" (§2375.1(b)(7)(A)). CRI supports this change from the previous version of these regulations, in which the percentage was not specified. This change to "100 percent... of containers sold" will provide the extra levels of capacity that are needed to accommodate surges that occur in summer months and after holiday weekends, for example.	CalRecycle rejects this comment because this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. We thank you for your participation in the 45-day public comment period.
O- 6 -12	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Susan Collins	Container Recycling Institute	The updated draft text still indicates that capacity will be measured in the performance standards section based on total beverage container redemption capacity per quarter and must "be sufficient to redeem 100 percent of the beverage containers sold by the dealer members into the convenience zones" (§2375.1(b)(8)(A)(ii)). Additionally, this text still indicates that capacity will be measured in average consumer redemption wait time. This neglects the fact that redemption centers often have hours of middling wait times and then other days with incredibly long wait times, so average consumer redemption wait time would not properly anticipate the busiest operating times. We again recommend that the stewardship plans demonstrate the ability to provide a high level of customer service and sufficient storage and transportation capacity during the busiest days of the week, the busiest times of the day, the busiest months of the year, and seasonal variations (for example, the usual surge in beverage sales/redemption in the summertime). The current average rate of beverage container sales is roughly 897 containers per capita in California (roughly 35 billion beverage containers sold divided by a population of 39.14 million.) These numbers include CRI's estimates of all beverage types included in the program, including wine and spirits containers in all types of containers. (Our previous letter erroneously included beverage container types not in the program, as well as milk, which created an overestimate of container sales.) Therefore, at a 100% capacity rate, the stewardship plans should demonstrate capacity to accommodate approximately 897 containers per person per year for the population covered by the stewardship plan operating area.	CalRecycle rejects this comment. With regard to requiring the stewardship plans to demonstrate the ability to provide a high level of customer service and sufficient storage and transportation capacity during the busiest times, an average wait time is adequate to achieve this since an average wait time includes both busy times and slow times. With regard to imposing a requirement to accept 897 containers per person per year, this proposed method of quantifying targets does not take into account the limitations of smaller or more rural cooperatives that have lower sales of beverage containers compared to other high-volume dealers and does not provide enough flexibility for dealer cooperatives to adapt to the particular situations of the unserved convenience zones in which they operate.
O- 6 -13	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Susan Collins	Container Recycling Institute	Stewardship Plan Contents, §2375.1(b)(3) §2375.1(b)(3) details an education and outreach program to promote awareness and maximize both consumer and dealer participation in the program. While the mentioned materials are valuable, they are not exhaustive and not reflective of consumer behaviors. For example, while an Internet website must be designed with mobile functionality in mind, many consumers may prefer a phone application ("app") to access information instead. If the website also has long URLs, this may dissuade consumers from typing out the URL and accessing valuable information.	CalRecycle rejects this comment. With regard to requiring the education and outreach program to include a phone application, this is not necessary to achieve the consumer convenience standard for dealer cooperatives established in PRC section 14578.5(c)(1). Because it is not necessary to achieve the goals of SB 1013, such a requirement would be overly burdensome on dealer cooperatives.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 6 -14	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Susan Collins	Container Recycling Institute	For physical signage, the draft regulation only mandates minimum information on a redemption site's operational days and hours. CRI recommends that the physical signage at redemption sites be required to contain pertinent information such as if a retail location is participating in a dealer cooperative.	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to minimum requirements for physical signage at redemption sites. The following changes have been made, the addition of required signage for each dealer member that contains at minimum, either the operational hours of the nearest redemption site or the website which contains this information.
O- 6 -15	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Susan Collins	Container Recycling Institute	Stewardship Plan Contents, §2375.1(b)(7)(B)(ii) This section states that providing consumer convenience is satisfied if "redemption location or locations within one mile of any dealer member in the unserved convenience zone" is provided, comparable to the requirements of section 14571 and section 14571.9 of the California Beverage Container and Litter Reduction Act. CRI finds the use of "any" in this section worrisome, as "any" completely redefines zone size. This language allows for a redemption location to be located outside of a convenience zone, and potentially provide service for several dealer cooperatives in several convenience zones. Existing law requires redemption services to be located within convenience zones, so new language that allows redemption services to be located outside of the zone are not "comparable."	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to the location requirements of a dealer cooperative. The one-mile standard referenced by the commenter has been deleted and replaced with the following: the addition of a definition defining "consumer convenience that is comparable to the requirements of section 14571 and section 14571.9 of the Act" with quantifiable minimum hours of operation.
O- 6 -16	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Susan Collins	Container Recycling Institute	Stewardship Plan Contents, §2375.1(b)(8)(A)(iii) We applaud that the performance standards in this section are redemption of a minimum of 80% of beverage container sales. However, we do believe that this can be manipulated if a single grocery store can form a dealer cooperative and not allow other dealers within the convenience zone to join their coop (as described in previous section of this letter.) If a single grocery store is the only dealer within a convenience zone, the sales that they have to count for these performance standards are only their single-store sales, making it easier to reach this goal.	CalRecycle rejects this comment. To the extent that it does not offer any recommendations on the proposed regulation language or a comment on the procedures used in this rulemaking, no change is needed to address the comment. To the extent that the commenter is requesting that dealer cooperatives not be able to exclude others from the dealer cooperative, CalRecycle rejects this recommendation because dealer cooperatives are a voluntary option for dealers in unserved convenience zones designed to aid the statutory objective of increasing consumer convenience in convenience zones that are unserved by a certified recycling center. Section 2382(f) allows for multiple dealer cooperatives to exist within an unserved convenience zone. Therefore, any dealers excluded from a dealer cooperative as described in your comment scenario are able to establish their own dealer cooperative within that zone. CalRecycle does not foresee the scenario described in your comment becoming a widespread problem for California dealer cooperatives. PRC section 14578(b)(1) excludes dealers that have gross annual sales of less than \$1,500,000 or are less than 5,000 square feet from the requirement to either redeem in-store or join a dealer cooperative. Because there is no evidence that smaller dealers would be excluded from joining dealer cooperatives established by larger stores, it is not necessary to further regulate dealer cooperative membership in this rulemaking effort.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 6 -17	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Susan Collins	Container Recycling Institute	Stewardship Plan Contents, §2375.1(b)(7)(E) This section states that "not all redemption locations are required to redeem all beverage container material types," and that other material types must be collected elsewhere within a convenience zone. While the intent of this section may have been to create a way to deal with 'odd' material types (like bag-in-box, aseptics, or pouches), it may also allow for dealer cooperative redemption points to exclude certain major material types as well. For example, this section might allow a redemption point to only accept aluminum and PET, and not glass or HDPE, for example. This would not be 'comparable' service to an existing recycling center, under current law. We suggest that any allowances for non-acceptance of container types or beverage types be limited to materials that constitute a very small percentage of covered materials. Examples would be very small containers (those under three ounces, like liquor "nips" bottles), or plastics 3-7, which constitute tiny percentages of overall container sales, or bag-in-box, aseptics and foil pouches. Some of these containers are difficult to handle in RVMs, for example, but should not preclude the widespread availability of RVMs for consumer convenience.	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to allowing redemption limits. The following changes have been made: the addition of a provision allowing the establishment of daily redemption limits with at least one location in each convenience zone having no redemption material limits operating a minimum of ten hours per week.
O- 6 -18	[Subchapter 4.5 Art. 3] Stewardship Plan	2376. Stewardship Plan Review and Approval or Disapproval; Operational Notice	Website	Susan Collins	Container Recycling Institute	Stewardship Plan Review and Approval or Disapproval; Operational Notice, §2376(b) and §2376(d) The initial approval of a new stewardship plan currently gives CalRecycle 90 days after they receive the stewardship plan to review and approve or disapprove the plan. As well, if CalRecycle disapproves of the plan, CalRecycle has 30 days to provide notice of the disapproval, and the dealer cooperative has an additional 90 days to revise their plan. We applaud CalRecycle for changing the plan review time from 120 days to 90 days.	CalRecycle rejects this comment because this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. We thank you for your participation in the 45-day public comment period
O- 6 -19	[Subchapter 4.5 Art. 3] Stewardship Plan	2377. Stewardship Plan Updates	Website	Susan Collins	Container Recycling Institute	Stewardship Plan Updates, §2377(a) As this dealer cooperative program is the first of its kind in the United States, CRI suggests that dealer cooperatives must review its stewardship plans more often than every 5 years, at least for the first couple of years in order to make sure the program is running smoothly. In practice, it is likely that stewardship plans will need to be updated more frequently to accommodate the usual churn of dealer locations within an approved plan, as there are likely to be many new store openings or store closings every year.	CalRecycle rejects this comment. Five years is reasonable because it is a balanced approach between maintaining an up-to-date plan and not overburdening the dealer cooperative with frequent reviews. CalRecycle notes that a dealer cooperative may update its plan more often than every five years because the five years in section 2377(a) is just a minimum. Additionally, CalRecycle will receive notice of whether a dealer cooperative is operating smoothly through its quarterly reporting under section 2381 and any stewardship plan changes submitted under section 2378.
O- 6 -20	[Subchapter 6 Art. 3] Accounting and Reporting Requirements	2535. Payments to Consumers Curbside Programs Community Service Programs and Dropoff or Collection Programs	Website	Susan Collins	Container Recycling Institute	Payments to Consumers, Curbside Programs, Community Service Programs, and Dropoff of Collection Programs, §2535 CRI is hopeful that these regulations would allow for delayed payments for bag-drop programs. Bag-drop programs and certain RVM functions require delayed ways of payment. This section requires clarity on the subject of delayed payments to consumers.	CalRecycle accepts this comment. CalRecycle agrees with the commenter's suggestion to clarify the delayed payment to the consumer for methods of redemption that do not issue immediate payment and has defined a three working day period for dealer cooperatives to pay consumers when using innovative methods of redemption such as bag drop as set forth in section 2382 (n)(1)(B). This change does not affect the scope of the regulatory text.
O- 6 -21	[Subchapter 6 Art. 3] Accounting and Reporting Requirements	2535. Payments to Consumers Curbside Programs Community Service Programs and Dropoff or Collection Programs	Website	Susan Collins	Container Recycling Institute	Additionally, we found the new language regarding "for every empty beverage container not donated to the dealer cooperative" in §2535(a)(2) strange. Typically, a payment is not donated to the dealer cooperative – it is donated to a charity of the consumers' choice. Language clarifying this needs to be added to this section.	CalRecycle accepts this comment. CalRecycle agrees with the commenter's suggestion to clarify containers not donated to the dealer cooperative. The new revised text can be found in section 2382(n)(1)(A). Dealer cooperatives have been deleted from section 2535, and section 2535 is no longer being amended in this regulation package. This change does not affect the scope of the regulatory text.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 7 -1	Comment Letter		Website	Mark Murray	Californians Against Waste	<p>Comment 1. Section 2375.1 Stewardship Plan Content</p> <p>While well intended, we are concerned that some of the content requirements for prospective stewardship plans appear to be unnecessarily prescriptive, and to require provisions that are not required of any other certified recycling entities. Specifically, the entirety of paragraphs (3), (4), (5), (6) (7) (8) & (9) of 2375.1(b). Pursuant to Statute, the only obligation of 'dealers' is to provide a redemption opportunity for all empty beverage containers. There is no 'dealer cooperative' obligation in statute beyond that of any individual dealer in an unserved zone or that of a certified recycling center.</p> <p>While it might be nice if an entity or entities volunteering to establish a dealer cooperative were to include some of type of 'public education' beyond the signage requirements required of any certified recycling center, we are concerned that the piling on of the prescriptive requirements will only serve to discourage any dealer or dealers from voluntarily choosing to attempt to become a registered 'Dealer Cooperative'.</p> <p>There is nothing in statute that requires dealers to form a dealer cooperative.</p> <p>There is no incentive in statute for dealers to form a dealer cooperative.</p> <p>There is nothing in statute that prevents dealers from informally 'cooperating' for the purposes of establishing a certified recycling center or RVM in any unserved zone, thereby 'serving' the zone and eliminating any formal redemption obligation for dealers.</p> <p>Our recommendation is to tread lightly regarding the 'plan content requirements' or run the risk that no dealers will volunteer to formalize any dealer cooperatives.</p> <p>Comment 2. Section 2381 Stewardship Reporting</p> <p>Presumably, the quarterly reporting obligation for a stewardship project could be satisfied by providing the monthly DR6 reports for the certified recycling location or locations within the stewardship 'project'. If that is the case, it might be simpler to clarify that intent/obligation within this section.</p> <p>It is relevant to note that, under existing law, a single operator of multiple certified recycling locations has no similar obligation to provide a quarterly report of their collective business operations.</p> <p>Again, we worry that this unnecessary and redundant reporting obligation may only serve to discourage entities from attempting for establish a formal dealer cooperative pursuant to these regulations.</p> <p>Comment 3. Section 2382. Dealer Cooperative Operation</p> <p>Subdivision (g) reads:</p> <p>(g) Redemption locations operating as part of a dealer cooperative's stewardship program shall not make an unserved convenience zone served.</p> <p>It's not clear what is meant by the term 'redemption location', but the term 'recycling location' is defined in statute as: '...a place, mobile unit, reverse vending machine, or other device where a certified recycling center accepts ... empty beverage containers from consumers, and pays ... refund value...'</p> <p>Pursuant to statute, the existence/operation in good standing of a 'certified recycling center' serves a convenience zone.</p> <p>It's not clear that the Department would have the authority to bypass this Statutory provision via regulation. It's not clear what purpose might be served by creating an exemption to this statutory provision for 'dealer cooperatives' (beyond discouraging dealer cooperatives).</p> <p>We recommend striking subdivision (g).</p> <p>Comment 4. Section 2425. Reporting</p> <p>We support amending regulations to authorize 'dealer cooperatives' as an eligible entity for the purposes of processors receiving and canceling empty beverage containers and paying appropriate CRV, Processing Payment and Handling Fee.</p> <p>We recommend adding the term 'registered dealer' throughout this section as an eligible entity.</p> <p>Currently, regulations do not provide a pathway for empty beverage containers 'redeemed' by dealers to be reported as such, and CRV, etc paid. As a result, dealers are financially discouraged from encouraging in-store redemption. In fact, it appears that the cost for stores to attempt to redeem or even simply recycle empty beverage containers for which they have paid consumers the 'redemption value' is sufficiently prohibitive to cause many to simply discard those containers.</p>	

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 7 -2	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Website	Mark Murray	Californians Against Waste	Comment 1. Section 2375.1 Stewardship Plan Content While well intended, we are concerned that some of the content requirements for prospective stewardship plans appear to be unnecessarily prescriptive, and to require provisions that are not required of any other certified recycling entities. Specifically, the entirety of paragraphs (3), (4), (5), (6) (7) (8) & (9) of 2375.1(b). Pursuant to Statute, the only obligation of 'dealers' is to provide a redemption opportunity for all empty beverage containers. There is no 'dealer cooperative' obligation in statute beyond that of any individual dealer in an unserved zone or that of a certified recycling center. While it might be nice if an entity or entities volunteering to establish a dealer cooperative were to include some of type of 'public education' beyond the signage requirements required of any certified recycling center, we are concerned that the piling on of the prescriptive requirements will only serve to discourage any dealer or dealers from voluntarily choosing to attempt to become a registered 'Dealer Cooperative'. There is nothing in statute that requires dealers to form a dealer cooperative. There is no incentive in statute for dealers to form a dealer cooperative. There is nothing in statute that prevents dealers from informally 'cooperating' for the purposes of establishing a certified recycling center or RVM in any unserved zone, thereby 'serving' the zone and eliminating any formal redemption obligation for dealers. Our recommendation is to tread lightly regarding the 'plan content requirements' or run the risk that no dealers will volunteer to formalize any dealer cooperatives.	CalRecycle rejects this comment. To the extent that the stewardship plan contents and requirements are burdensome and unnecessary, the stewardship plan content requirements are necessary for a dealer cooperative to provide consumer convenience in accordance with PRC section 14578.5(c)(1). Reducing the requirements of the dealer cooperative stewardship plan in section 2375.1, such as education and outreach materials, performance standards, redemption methods and types of materials redeemed, dispute resolution, and community input, are essential to the dealer cooperative regulatory framework to meet the goals of SB 1013. The proposed regulations are prescriptive because dealer cooperatives are a new recycling entity to bolster recycling rates, increase access, and expand opportunities for consumer redemption. SB 1013 amended dealer obligations to provide convenient consumer redemption with the option to form or join a dealer cooperative, which replaces the previous option to pay \$100 per day to CalRecycle to not redeem in-store. The incentive for a dealer in an unserved convenience zone to form a dealer cooperative rather than to redeem in store is that a dealer cooperative is eligible for program payments for redeemed containers, whereas a dealer redeeming in store under PRC section 14578(a)(1) is not.
O- 7 -3	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2381. Reporting	Website	Mark Murray	Californians Against Waste	Comment 2. Section 2381 Stewardship Reporting Presumably, the quarterly reporting obligation for a stewardship project could be satisfied by providing the monthly DR6 reports for the certified recycling location or locations within the stewardship 'project'. If that is the case, it might be simpler to clarify that intent/obligation within this section. It is relevant to note that, under existing law, a single operator of multiple certified recycling locations has no similar obligation to provide a quarterly report of their collective business operations. Again, we worry that this unnecessary and redundant reporting obligation may only serve to discourage entities from attempting to establish a formal dealer cooperative pursuant to these regulations.	CalRecycle rejects this comment. PRC section 14578.5(c)(6) explicitly authorizes CalRecycle to require reports from dealer cooperatives in the form and manner that CalRecycle may prescribe. Quarterly reports are reasonable because they balance the need for CalRecycle to obtain information on the performance of the stewardship plan without overburdening dealer cooperatives. These quarterly reports contain more information than DR6s and therefore replacing them with DR6s would be inadequate to evaluate a dealer cooperative's compliance with the Act and regulations. Dealer cooperatives are a separate recycling entity, and thus making dealer cooperative provisions the same as recycling center provisions is contrary to SB 1013, which establishes dealer cooperatives as a distinct recycling entity.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 7 -4	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2382. Dealer Cooperative Operation	Website	Mark Murray	Californians Against Waste	Comment 3. Section 2382. Dealer Cooperative Operation Subdivision (g) reads: (g) Redemption locations operating as part of a dealer cooperative's stewardship program shall not make an unserved convenience zone served. It's not clear what is meant by the term 'redemption location', but the term 'recycling location' is defined in statute as: '...a place, mobile unit, reverse vending machine, or other device where a certified recycling center accepts ... empty beverage containers from consumers, and pays ... refund value...' Pursuant to statute, the existence/operation in good standing of a 'certified recycling center' serves a convenience zone. It's not clear that the Department would have the authority to bypass this Statutory provision via regulation. It's not clear what purpose might be served by creating an exemption to this statutory provision for 'dealer cooperatives' (beyond discouraging dealer cooperatives). We recommend striking subdivision (g).	CalRecycle rejects this comment. Redemption location is defined in section 2370 and is not the same as a recycling location because it is operated as a dealer cooperative, not a recycling center. This provision is necessary to clarify that a dealer cooperative does not satisfy the requirements for a convenience zone to be "served" under PRC section 14571(a). A dealer cooperative is permitted to operate in unserved convenience zones. If a dealer cooperative changed the convenience zone status to served, then the statutory obligation for a dealer to choose to redeem in-store or to join a dealer cooperative would cease and undermine the intent of SB 1013.
O- 7 -5	[Subchapter 5 Art. 3] Accounting and Reporting Requirements	2425. Reporting	Website	Mark Murray	Californians Against Waste	Comment 4. Section 2425. Reporting We support amending regulations to authorize 'dealer cooperatives' as an eligible entity for the purposes of processors receiving and canceling empty beverage containers and paying appropriate CRV, Processing Payment and Handling Fee. We recommend adding the term 'registered dealer' throughout this section as an eligible entity. Currently, regulations do not provide a pathway for empty beverage containers 'redeemed' by dealers to be reported as such, and CRV, etc paid. As a result, dealers are financially discouraged from encouraging in-store redemption. In fact, it appears that the cost for stores to attempt to redeem or even simply recycle empty beverage containers for which they have paid consumers the 'redemption value' is sufficiently prohibitive to cause many to simply discard those containers	CalRecycle rejects this comment. CalRecycle does not have the statutory authority to allow dealers who voluntarily choose to redeem beverage containers in-store instead of joining a dealer cooperative to be eligible for reimbursement of California Redemption Value funds paid to consumers, processing payments, handling fees, and administrative fees. Statute PRC section 14578.5 specifically adds only dealer cooperatives as a new entity eligible for these types of reimbursement, payments, and fees to be collected. CalRecycle is not authorized to add dealers who redeem in-store to section 2425 without a change to statute.
O- 8 -1	[Subchapter 4.5 Art. 3] Stewardship Plan		Oral	Susan Collins	Container Recycling Institute	My name is Susan Collins. I'm the President of the Container Recycling Institute. So an observation that I will state as a comment to the extent that I can, but some of these things I wondered what if, and I'm not sure exactly how they should be addressed. So we'll try to make it as clear as we can in the written comments that we submit. The first "what if" is what if a grocery store creates a dealer co-op and refuses to let anyone else join that dealer co-op? And this isn't a hypothetical. I've seen something like this happen in the State of Maine, where they did form a cooperative and it was larger organizations that refused to let the smaller organizations in, which essentially turns the co-op into a weapon of anti-competitive behavior. So it could leave the other stores in the area in that unserved zone high and dry having to accept containers in store, you know, sort of giving them an extra burden by not giving them an opportunity to join an existing co-op that exists in that area. So phrasing that as a -- as a comment and trying to figure out where in the law -- or where in the regulations it would be appropriate to add a requirement for the dealer co-op to invite all dealers in the unserved zone to join and do so in good faith. So that's comment number one.	CalRecycle rejects this comment. It is unnecessary to require a dealer cooperative to accept as members all dealers that wish to join because a dealer is free to form their own dealer cooperative instead of joining an existing dealer cooperative due to proposed 14 CCR 2382(f) allowing more than one dealer cooperative to operate in an unserved convenience zone. Also, it would be unreasonable to require dealer cooperatives to accept as members all dealers that wish to join. For instance, if a small dealer cooperative with only one or two dealer members with low sales were forced to accept as a member a wholesale retail store whose sales are orders of magnitude larger than the original members of the dealer cooperative, this would force the initial dealer members to drastically expand their stewardship program and potentially increase their costs.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 8 -2	[Subchapter 2 Art. 1] Certification Application Procedures	2030. Review of Applications	Oral	Susan Collins	Container Recycling Institute	On the bottom of page four Item 9, the last couple of sentences on the bottom of page four, a proposed -- it has to do with a proposed recycling center not being able to apply to be a redemption center in that area, if there's already a dealer co-op in that area. And so I wondered, and again this is a question in my mind that I have to learn to phrase into a comment for purposes of these regulations. But that -- does that give supremacy or priority to the dealer co-ops? Can a dealer co-op form and kick out an existing redemption center? And it -- I've -- I saw a little bit of a head shake there, but I didn't feel like that was clear to me when I was reading the regulations.	CalRecycle rejects this comment. With regard to CalRecycle's rejection of applications for proposed recycling centers located in unserved convenience zones with a fully operational dealer cooperative this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. To the extent that this provision gives priority or supremacy to dealer cooperatives, the provision as written provides equitable opportunity to secure eligibility for program payments and creates greater consumer convenience in an unserved zone. Within these regulations, CalRecycle balances the protections for both types of recycling entities in convenience zones. Established dealer cooperatives are prioritized in unserved convenience zones; whereas, PRC section 14578.5 (d)(1) disincentivizes the operation of dealer cooperatives in convenience zones served by a recycling center by removing their eligibility for program payments. To the extent the comment implies that a dealer cooperative will serve a zone, by statute a dealer cooperative cannot make a convenience zone served or operate in a convenience zone already served by a recycling center.
O- 8 -3	Unclassified		Oral	Susan Collins	Container Recycling Institute	In light of the two new grant applications that were -- or two new applicants that were granted a grant last week on the workforce development, I saw that those two programs were donation-only programs. They were not a situation where a person could go to a redemption center or a redemption location and actually get the redemption, get their money back. And I notice that all throughout these regulations the word "redemption" is used. Traditionally, I have never seen the word redemption to mean you are forced to only give a donation and you have to give it to whatever organization that redemption location is associated with. So I wonder if we have like a creeping standard where the word "redemption" is being used in this new way. That's another comment that I see throughout that it could exist throughout the entire set of regulations. I have I think more places where I've seen that.	CalRecycle rejects this comment. The scope of this rulemaking is limited to dealer registration and dealer cooperatives. Whether donation-only sites qualify as redemption exceeds the scope of this rulemaking package because it extends to recycling center operations. CalRecycle notes that the only place in the regulations in which the word "donated" was used, section 2535(a)(2), has been removed, and section 2535 is no longer being amended in this regulation package.
O- 8 -4	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Oral	Susan Collins	Container Recycling Institute	Having to do with the word "comparable", providing comparable service, it's on page 13. There are a number of sections that talk about comparable and a number of different measures that are used. Comparable means this, comparable also means that. I noticed this one word "any" under B -- capital "B", little "i" -- two little "i"s, where it says "Redemption location or locations within one mile of any dealer member in the unserved convenience zone." Any dealer could mean a dealer along the outskirts, the perimeter, of that zone. And then if you add another mile from that dealer, you're now looking at a zone size that's not one mile radius, but one that's two miles in radius. And once you've done that, I actually drew myself a picture to work it out, which I don't have with me. But I realized that you could have one redemption location that serves several zones because that one redemption location would be within one mile of any dealer, not within one mile of the center of the zone, which is the way the zone is currently defined. So that one word, the word "any" completely redefines the zone size for dealer co-ops and for dealer co-ops only. And I don't know if that was the intent, but that doesn't -- it doesn't seem comparable at all.	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to the location requirements of a dealer cooperative. The one-mile standard referenced by the commenter has been deleted and replaced with the following: the addition of a definition defining "consumer convenience that is comparable to the requirements of section 14571 and section 14571.9 of the Act" with quantifiable minimum hours of operation.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 8 -5	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Oral	Susan Collins	Container Recycling Institute	Another concern is at the very bottom of the page, page 13, Item E, material types, not all redemption locations are required to redeem all beverage container material types. I could see that as being reasonable if it was the odd material types that are like less than one percent of the program, like bag and box, or septs, or pouches to say this location doesn't accept those. You have to go somewhere else within the zone to redeem those. But what if it was we're only accepting aluminum at this location and we're not accepting PET, or glass, or HDPE. That is in no way comparable. So we'll be commenting on that, that that is not even close to comparable. Comparable would have to at least be accepting 95 percent of the containers that are typically accepted through redemption points. I can -- I can deal with the oddballs having to go somewhere else, but otherwise it's not comparable at all.	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to allowing redemption limits. The following changes have been made: the addition of a provision allowing the establishment of daily redemption limits with at least one location in each convenience zone having no redemption material limits operating a minimum of ten hours per week.
O- 8 -6	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Oral	Susan Collins	Container Recycling Institute	Just a high five. It's very cool on page 14 that the performance standard is 80 percent of sales. That's wonderful. Love it. I do notice though that even that can be manipulated. Again, if there's a situation where a grocery store forms a co-op and doesn't allow any of the other dealers within that zone to also join the co-op, then the sales that they have to count for that co-op are only their store sales. So capturing 80 percent of their store sales is easier than capturing 80 percent of the sales within the zone.	CalRecycle rejects this comment. With regard to the required redemption of a minimum amount of beverage containers equal to 80% of containers sold by dealer members, this standard rather than 80% of the containers sold within the convenience zone is necessary because it is adaptable to the size of the dealer cooperative. If a small dealer cooperative had to redeem 80% of containers in the convenience zone rather than 80% of the containers sold by its dealer members, this may overwhelm and overburden small dealer cooperatives, thereby making their operation impractical. To the extent that a dealer may form a single member dealer cooperative, the remaining dealers in that convenience zone would be able to form their own dealer cooperative and would be responsible for the remaining amount of beverage containers sold in that convenience zone.
O- 8 -7	[Subchapter 4.5 Art. 3] Stewardship Plan	2375.1. Stewardship Plan Contents	Oral	Susan Collins	Container Recycling Institute	I have mixed feelings on Item B at the bottom of the page on page 14. The redemption limits, those would not be comparable to existing load limits, not comparable. And at the same time, it's very typical for RVMs to have limits of how many containers somebody can put in an RVM in order to shorten the wait time, so that you don't have one person dominating the RVM putting 3,000 containers in it. So I have mixed feelings about that one. It makes sense and is reasonable to have a limitation like 240 containers for RVMs, but it wouldn't be necessary to have a limit for something like bag drop. So on that -- much more nuanced things might need to be written in that section.	CalRecycle accepts this comment. Based on interested party feedback, CalRecycle agrees that clarification is needed with regard to allowing redemption limits. The following changes have been made: the addition of a provision allowing the establishment of daily redemption limits with at least one location in each convenience zone having no redemption material limits operating a minimum of ten hours per week.
O- 8 -8	[Subchapter 4.5 Art. 3] Stewardship Plan	2376. Stewardship Plan Review and Approval or Disapproval; Operational Notice	Oral	Susan Collins	Container Recycling Institute	Another high five is on page 15, the review period was shortened from 120 days to 90 days. And we've talked about how important it's going to be to get these plans approved to get the stores out of limbo and into these dealer co-ops.	CalRecycle rejects this comment because this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. We thank you for your participation in the 45-day public comment period

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 8 -9	[Subchapter 4.5 Art. 2] Dealers	2373. Dealer Redemption Requirements	Oral	Susan Collins	Container Recycling Institute	I noticed elsewhere it was clarified, another high five to CalRecycle, for clarifying that in the limbo period all of the stores are required to take back in store.	CalRecycle rejects this comment because this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. We thank you for your participation in the 45-day public comment period.
O- 8 -10	[Subchapter 4.5 Art. 3] Stewardship Plan	2377. Stewardship Plan Updates	Oral	Susan Collins	Container Recycling Institute	Stewardship plan updates, nothing has to be updated for five years. And I think that more -- there's going to be a need to do more adjustments in the first couple of years of this program. This is something new that's never been tried anywhere else in the world, so we're -- we don't know how it's going to go and we don't know what kind of issues we'll come up.	CalRecycle rejects this comment. Five years is reasonable because it is a balanced approach between maintaining an up-to-date plan and not overburdening the dealer cooperative with frequent reviews. CalRecycle notes that a dealer cooperative may update its plan more often than every five years because the five years in section 2377(a) is just a minimum. Additionally, CalRecycle will receive notice of whether a dealer cooperative is operating smoothly through its quarterly reporting under section 2381 and any stewardship plan changes submitted under section 2378.
O- 8 -11	Unclassified		Oral	Susan Collins	Container Recycling Institute	At the top of the page on page 16, I know -- I flagged the word "redeem" and noted "not donate". I think that was the point at which I was hoping that these donation-only programs wouldn't count as they -- you know to make a zone served, because if you're not offering redemption, if you're not offering people their money back, that's not service. It's a type of service. It's one thing if you have the option to donate or redeem, but you have to have the service of actually being able to get your money back.	CalRecycle rejects this comment. The scope of this rulemaking is limited to dealer registration and dealer cooperatives. Whether donation-only sites qualify as redemption exceeds the scope of this rulemaking package because it extends to recycling center operations. CalRecycle notes that the only place in the regulations in which the word "donated" was used, section 2535(a)(2), has been removed, and section 2535 is no longer being amended in this regulation package.
O- 8 -12	Unclassified		Oral	Susan Collins	Container Recycling Institute	I was also concerned about that on page 18 at the top of the page, item number 4. The method of redemption concerned that -- but again that could be sort of creeping language or could be meant to have somebody say we're offering redemption because people can come and donate their containers and donating containers is not redemption.	CalRecycle rejects this comment. The scope of this rulemaking is limited to dealer registration and dealer cooperatives. Whether donation-only sites qualify as redemption exceeds the scope of this rulemaking package because it extends to recycling center operations. CalRecycle notes that the only place in the regulations in which the word "donated" was used, section 2535(a)(2), has been removed, and section 2535 is no longer being amended in this regulation package.
O- 8 -13	[Subchapter 4.5 Art. 4] Recordkeeping Reporting and Operation	2381. Reporting	Oral	Susan Collins	Container Recycling Institute	We appreciated the changes to the definition of downtime, so that folks who are servicing RVs are going to take at least 15 minutes to empty them out and service them and that could of thing. So we appreciated that. Another high five.	CalRecycle rejects this comment because this comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process. We thank you for your participation in the 45-day public comment period.

Comment Code	Category	Sub-Category	Submit Method	Commenter Name	Commenter Affiliation	Comment	CalRecycle's Response
O- 8 -14	[Subchapter 6 Art. 2] Handling Fees	2516. Eligibility Criteria	Oral	Susan Collins	Container Recycling Institute	And I wondered if these donation-only programs are eligible to receive handling fees, because I don't think that was specifically called out. Sorry. That was on page 22 when I was reading through the handling fee section.	CalRecycle rejects this comment. This comment does not suggest any specific changes to the proposed regulations or raise issues related to the rulemaking process.
O- 8 -15	[Subchapter 6 Art. 3] Accounting and Reporting Requirements	2535. Payments to Consumers Curbside Programs Community Service Programs and Dropoff or Collection Programs	Oral	Susan Collins	Container Recycling Institute	And I may be coming to the end. This is an important one on page 42 near the end. Under programs and drop-off collection programs, the first couple of sentences there, especially Item A2. Hopefully, but it's not clear enough to me yet, so we'll be commenting on this, that this would allow delayed payments for bag drop programs. Bag drop and certain RVM functions typically have a delay. Like, if there's -- if an RVM allows people to donate to the charity of their choice, and if that's part of the program of the RVM, that doesn't typically happen instantaneously. Similarly, if somebody drops off containers in a bag in a bag drop program, the refund doesn't happen instantaneously. I'm not absolutely sure that that's super, super clear that that's all allowable in item number 2 here. I think it allows for delayed payments for bag drop, but I'm not super clear.	CalRecycle accepts this comment. CalRecycle agrees with the commenter's suggestion to clarify the delayed payment to the consumer for methods of redemption that do not issue immediate payment and has defined a three working day period for dealer cooperatives to pay consumers when using innovative methods of redemption such as bag drop as set forth in section 2382(n)(1)(B). Any unattended method of redemption will also be granted the three working day period pursuant to sections 2370(f)(4) and 2382(n)(1)(B). This change does not affect the scope of the regulatory text.
O- 8 -16	[Subchapter 6 Art. 3] Accounting and Reporting Requirements	2535. Payments to Consumers Curbside Programs Community Service Programs and Dropoff or Collection Programs	Oral	Susan Collins	Container Recycling Institute	Also, I found the language strange at the end of that sentence, "For every empty beverage container not donated to the dealer cooperative." I've never seen a situation where you donate to a dealer cooperative. Again, dealer cooperatives don't exist anywhere else in the world. But typically, what happens under a donation program is that you donate to a charity of your choice and that language is not included in this section and it's necessary for that to be included.	CalRecycle accepts this comment. CalRecycle agrees with the commenter's suggestion to clarify containers not donated to the dealer cooperative. The new revised text can be found in section 2382(n)(1)(A). Dealer cooperatives has been deleted from section 2535 and section 2535 is no longer being amended in this regulation package. This change does not affect the scope of the regulatory text.