

DRAFT PROPOSED REGULATION TEXT  
DEALER COOPERATIVES  
DIVISION OF CIRCULAR ECONOMY  
DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY  
CALIFORNIA CODE OF REGULATIONS

Note: Amendments are shown in underline to indicate additions and strikeout to indicate deletions from the existing regulatory text. The symbol “\* \* \* \*” means that intervening text not proposed for amendment is not shown.

TITLE 14

DIVISION 2

CHAPTER 5

**ADOPT:**

SUBCHAPTER 4.5, ARTICLES 1-5

**AMEND:**

SUBCHAPTER 1

SUBCHAPTER 2, ARTICLE 1

SUBCHAPTER 5, ARTICLE 5

SUBCHAPTER 6, ARTICLE 2

**Adopt sections 2370, 2371, 2372, 2373, 2375, 2375.1, 2376, 2376.1, 2377, 2378, 2380, 2381, 2382, 2385, 2386, California Code of Regulations, title 14.**

**Amend sections 2000, 2030, 2425, 2430, 2516, California Code of Regulations, title 14.**

## Section 2370. Definitions

For purposes of this subchapter, the following definitions apply:

- (a) "Days" means all calendar days unless provided otherwise.
- (b) "Dealer cooperative stewardship fee" means a fee assessed on a dealer member by a dealer cooperative in accordance with section 14578.5(c)(2) of the Act.
- (c) "Dealer cooperative zone" means the entirety of the area covered by a dealer cooperative's stewardship plan.
- (d) "Department" means the Department of Resources Recycling and Recovery.
- (e) "GAAP" means the generally accepted accounting principles adopted by the Financial Accounting Standards Board as part of the Accounting Standards Codification. Those principles are incorporated by reference.
- (f) "Innovative method of redemption" means bag drop, reverse vending machine, or other method of redemption that does not require an attendant to accept materials.
- (g) "Redemption contractor" means a person redeeming empty beverage containers from consumers pursuant to a stewardship plan on behalf of a dealer cooperative.
- (h) "Sales and storage area" includes all of the following:
  - (1) Sales area accessible to customers, including, but not limited to, aisles, foyers, sitting areas, and restrooms.
  - (2) Employee areas, including, but not limited to, sales counters, preparation areas, offices, restrooms, and breakrooms.
  - (3) Enclosed attached storage areas.
  - (4) Outdoor sales areas accessible to customers, including, but not limited to, tents, lean-tos, gazebos, patios, and porches.
- (i) "Stewardship plan" means a redemption plan as described in section 14578.5(c)(1) of the Act.
- (j) "Stewardship program" means the redemption program implemented by a dealer cooperative pursuant to its stewardship plan approved by the department.

### Section 2371. Dealer Registration

- (a) (1) Each dealer located within a convenience zone shall separately register each of its sites with the department pursuant to this section. A dealer shall register no later than 30 days after the effective date of this section.
- (2) For a dealer operating in a convenience zone after the effective date of this section, the dealer shall register no later than 30 days after commencing operation, or after the dealer is determined by the department to be, in a convenience zone.
- (b) Dealer registration shall be completed by a dealer through online registration on the department's internet website. If a dealer is unable to use the online registration, the department shall provide an alternate format to the dealer upon request. The registration process shall require submission of all of the following for the site being registered:
- (1) The legal name of the owner of the dealer and the store "doing business as" (DBA) name.
- (2) For dealers that also sell fuel, the associated gas station name, if different than the store "doing business as" (DBA) name.
- (3) The dealer's federal tax identification number, also known as an employer identification number (EIN).
- (4) The store manager's name, title, phone number, and email address.
- (5) The primary contact person's name, title, phone number, and email address.
- (6) The secondary contact person's name, title, phone number, and email address.
- (7) The dealer's physical business address.
- (8) The dealer's mailing address.
- (9) The primary phone number and email address for the dealer, and internet website address of the dealer, if such an internet website exists.
- (10) A declaration of whether or not the dealer has a combined sales and storage area of less than 5,000 square feet at that physical location.
- (11) A declaration of whether or not the gross annual sales of the dealer at that physical location are less than one million five hundred thousand dollars (\$1,500,000) based on the most recent tax return filed with the federal Internal Revenue Service, excluding any fuel sales.
- (12) The date the dealer began business at that physical location.

- (13) Types of beverages sold in beverage containers by the dealer at that physical location.
- (14) The name, title, email address, and signature of the person signing the registration form on behalf of the dealer, with the signature block indicating the date the registration form was signed.
- (c) (1) The department may require additional information to corroborate or clarify the registration information provided and the dealer shall provide the additional information within the requested deadline and in the requested format in order to complete its registration.
- (2) The department may request documentation to support a declaration submitted pursuant to paragraph (10) of subdivision (b), including, but not limited to, a current lease agreement or floor plan
- (3) The department may request documentation to support a declaration submitted pursuant to paragraph (11) of subdivision (b), including, but not limited to, evidence of cumulative gross annual sales.
- (d) Within 45 working days of receiving a complete dealer registration form pursuant to this section, the department shall provide the registering dealer with a dealer registration number.

#### Section 2372. Dealer Notification Requirements and New Registrations Required

- (a) Thirty days before either of the following, a registered dealer shall notify the department electronically in writing:
- (1) Change in the dealer's mailing address, phone number, email address, or internet website address.
- (2) Change in the dealer's federal tax identification number, also known as an employer identification number (EIN), or physical business address.
- (b) If a dealer's federal tax identification number, also known as an employer identification number (EIN), or physical business address changes, the dealer shall submit a new dealer registration form pursuant to section 2371 of these Regulations.
- (c) Except as specified in subdivision (a), within 30 days after any of the following, a dealer shall notify the department electronically in writing:
- (1) A change to the information previously submitted as to the store's size or sales totals in the dealer registration form.
- (2) The dealer ceases operation.

(3) A change in the store manager's, primary contact's, or secondary contact's information.

(d) A registered dealer shall annually submit to the department electronically in writing confirmation that the declarations specified in sections 2371(b)(10) and 2371(b)(11) of these Regulations are still accurate. This confirmation shall be submitted by July 1 following the dealer's registration, and each July 1 thereafter. If, at that time, any documentation previously submitted to support the declaration is no longer accurate, the dealer shall submit updated documentation.

(e) A dealer may provide the information required by this section by certified postal mail instead of electronically in writing if the dealer demonstrates to the department's satisfaction that it is unable to submit the information electronically in writing and the department provides prior approval.

#### Section 2373. Dealer Redemption Requirements

(a) A dealer located in an unserved convenience 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. This includes, but is not limited to, immediately complying with section 14578(a)(1) of the Act in the following circumstances:

(1) The dealer's membership in a dealer cooperative is terminated.

(2) The dealer is a member of a dealer cooperative with a stewardship plan that is revoked or terminated.

(3) The dealer is a member of a dealer cooperative that dissolves or has its registration revoked.

(b) In accordance with section 2376(e) of these Regulations, a dealer in an unserved convenience zone that is a member of a dealer cooperative shall continue complying with section 14578(a)(1) of the Act until the dealer cooperative's stewardship plan has been approved by the department and is operational.

### Section 2375. Stewardship Plan Submission

- (a) (1) In order to receive approval for a stewardship plan, a dealer cooperative shall submit a stewardship plan to the department that includes the information required pursuant to section 2375.1 of these Regulations to achieve comparable consumer convenience to the requirements of section 14571 and section 14571.9 of the Act.
  - (2) A stewardship plan submitted to the department pursuant to this section shall be submitted electronically. The date of electronic submittal shall be considered the date of receipt by the department.
  - (3) The dealer cooperative shall post the stewardship plan submitted to the department on its internet website.
  - (4) A stewardship plan submitted to the department and posted online pursuant to this section shall be consistent with the standards set forth in section 7405 of the Government Code and the Web Content Accessibility Guidelines (WCAG) 2.0 published in 2008 by the World Wide Web Consortium. The entirety of the Web Content Accessibility Guidelines (WCAG) 2.0 published in 2008 are incorporated by reference.
- (b) Submission of the stewardship plan shall constitute a declaration of the following:
- (1) That the dealer cooperative and dealer members are in compliance with all applicable requirements of the Act and these Regulations.
  - (2) Dealer members and the dealer cooperative are legally liable for the approved stewardship plan under the Act and these Regulations.

### Section 2375.1. Stewardship Plan Contents

- (a) The stewardship plan shall include all of the following information:
- (1) The legal name of the dealer cooperative. The dealer cooperative shall be deemed the operator of the dealer cooperative for purposes of these Regulations.
  - (2) (A) The dealer cooperative's federal tax identification number, also known as an employer identification number (EIN).  
(B) A dealer cooperative may redact the dealer cooperative's federal tax identification number, also known as an employer identification number (EIN), when posting a stewardship plan on its internet website.
  - (3) The dealer cooperative's physical business address.

- (4) The dealer cooperative's mailing address.
  - (5) Contact information for the dealer cooperative. This information shall include, at a minimum, name, title, phone number, and email address.
  - (6) Contact information for the individual(s) responsible for submitting and overseeing the stewardship plan on behalf of the dealer cooperative. The contact information shall include, at a minimum, name, title, phone number, mailing address, physical business address, and email address.
  - (7) Names, titles, and contact information for any person who will make decisions on behalf of the dealer cooperative.
  - (8) An internet website address for the dealer cooperative.
  - (9) Verification of current exemption from taxation under section 501(c)(3) of the federal Internal Revenue Code of 1986.
  - (10) The articles of incorporation most recently filed with the California Secretary of State, or the equivalent formation documents filed in the dealer cooperative's state of formation, as a nonprofit corporation.
  - (11) A list of all dealer members in the dealer cooperative, including each dealer's registration number issued pursuant to section 2371 of these Regulations.
  - (12) A map of the area where the dealer cooperative will operate.
  - (13) A list or map of unserved convenience zones in which the dealer cooperative will provide redemption.
  - (14) A list of known and planned processors and recycling centers to which the dealer cooperative will ship beverage containers and a list of known and planned redemption sites.
  - (15) (A) The location that records required pursuant to section 2380 of these Regulations will be kept and the contact information for the custodian of records, including name, title, telephone number, and email address.  
  
(B) If the dealer cooperative will not be using a customer daily log for beverage container redemption, a recordkeeping method sufficient to track the redemption of individual customers as described in section 2380(b)(1) of these Regulations.
  - (16) A timeline for the stewardship plan becoming fully operational once the stewardship plan is approved by the department.
- (b) The stewardship plan shall include descriptions of the following:

- (1) (A) How each beverage container material type will be redeemed under the stewardship plan.
- (B) Each method of redemption offered by the dealer cooperative.
- (2) How redeemed empty beverage containers will be transported to a processor or recycling center.
- (3) An education and outreach program that includes, at a minimum, all of the following:
- (A) Activities 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 an unserved convenience zone.
- (B) Materials to be utilized that are distributed in languages suited to local (or statewide, if applicable) populations, consistent with the standards contained in sections 7295 and 7296.2 of the Government Code. The materials shall include the following:
- (i) Printed materials, including, but not limited to, public outreach materials and signage for dealer or redemption contractor sites. The signage for a redemption site shall include, at a minimum, days and hours of operation.
- (ii) The development and implementation of an internet website designed with functionality for mobile platforms and maintained to ensure all information is up to date and accurate. The internet website's digital content and navigability shall be accessible to individuals with a disability in accordance with existing law and shall be consistent with the standards set forth in section 7405 of the Government Code and the Web Content Accessibility Guidelines (WCAG) 2.0 published in 2008 by the World Wide Web Consortium. The entirety of the Web Content Accessibility Guidelines (WCAG) 2.0 published in 2008 are incorporated by reference. The internet website shall include, but is not limited to, all of the following:
- (I) Redemption site addresses and the material types redeemed at each address.
- (II) Redemption site contact telephone numbers.
- (III) Redemption site days and hours of operation.
- (iii) In addition to clauses (i) and (ii), non-printed materials may be used, such as a toll-free telephone number to provide redemption options and other program information. If a toll-free telephone number is to be used, it shall provide services for hearing-impaired and speech-impaired individuals.

- (C) A description of a process and metrics to evaluate performance of the education and outreach program, including, at a minimum, consumer awareness, program usage, and accessibility.
- (4) A dispute resolution process for consumers in the event of non-payment or underpayment by the redemption contractor and a method to receive and resolve written complaints about the operation of the stewardship program from consumers, the public, or any other source.
- (5) Strategies for collecting empty beverage containers in areas and communities that face unique challenges associated with empty beverage container redemption, such as poverty, language barriers, and littering of empty beverage containers.
- (6) The ways in which the consumer convenience options under the stewardship program are tailored to fit the unique needs of the dealer cooperative zone, such as different redemption methods and hours for urban, suburban, and rural areas.
- (7) A minimum of one innovative method of redemption with corresponding expected daily acceptance rates for each beverage container type that provides consumers with convenient redemption.
- (8) (A) How the dealer cooperative will have the capacity and capability to provide convenient redemption of all the beverage containers and all material types sold by dealer members into convenience zones in which any of the dealer members operate.
- (B) For purposes of this subchapter, the term “convenient redemption” means providing consumer convenience that is comparable to the requirements of section 14571 and section 14571.9 of the Act, including all of the following:
- (i) Redemption of all beverage container types.
  - (ii) Redemption location or locations within one mile of any dealer member in the unserved convenience zone, which may include an innovative method of redemption. The plan shall establish expected limits for each redemption site so that the totality of redemption opportunities achieves comparable consumer convenience.
  - (iii) Hours of operation for a redemption location or locations that match the operating hours of the closest dealer member to the redemption location, or, if multiple dealer members are equally distant, the dealer member with the longest duration of operating hours.
- (C) The stewardship plan shall describe how the dealer cooperative will address factors that may affect consumer convenience, such as safety and cleanliness of the redemption location, parking availability, and accessibility via public transportation or walking.

- (D) The dealer cooperative may accomplish convenient redemption using any of the following methods:
- (i) One or more locations provided by the dealer cooperative.
  - (ii) One or more locations provided by its dealer members.
  - (iii) One or more locations provided by its redemption contractors.
- (E) Not all locations are required to redeem all beverage container material types.
- (F) A dealer cooperative may operate in more than one convenience zone.
- (9) Performance standards for each of the following, a description of how each of the performance standards will be achieved, and how achievement will be measured on a quarterly basis corresponding with the dealer cooperative's reports submitted pursuant to section 2381 of these Regulations:
- (A) The geographic spread of redemption sites and an explanation for the geographic spread. This shall include the number of redemption sites in each convenience zone in which any of the dealer members operate per person.
  - (B) The beverage container volume and customer and transaction capacity for each redemption site, each convenience zone in which any of the dealer members operate, and the entire dealer cooperative zone. This shall include the number of beverage containers able to be redeemed per year in each convenience zone in which any of the dealer members operate per consumer.
  - (C) The average wait time for a consumer to redeem a beverage container in the dealer cooperative zone and how the wait time was calculated. Factors used in the calculation may include type of redemption methods; population and population density; number of redemption sites; number of redemption contractors; number of staff; staff experience; hours of operation (including both the number of operating hours and the operating hours other than from Monday to Friday from 9 a.m. to 5 p.m.); location within the convenience zone; proximity of redemption sites to residences, dealers, and businesses; estimated amount of beverage containers an average consumer will seek to redeem; and any other factor relevant to the calculation.
- (10) The dealer cooperative's planned budget and how dealer cooperative stewardship fees assessed on dealer members will support that budget, including both of the following:
- (A) An itemized list, prepared in accordance with GAAP, of anticipated costs associated with the administration and implementation of the stewardship plan. The list shall include the monetary amount and purpose on which the funds will be spent.

(B) A recommended funding level necessary to cover the stewardship plan's budgeted costs and to operate the stewardship program over a multi-year period in a prudent and responsible manner. This shall include the target amount for monetary reserves, and the operating deficit amounts that the target monetary reserves will be able to cover, and a description of how surplus funds and operating deficits that exceed those amounts will be addressed by the dealer cooperative during the operation of the stewardship plan.

Section 2376. Stewardship Plan Review and Approval or Disapproval; Operational Notice

- (a) The department may require additional information to corroborate or clarify the information provided in the stewardship plan and the dealer cooperative shall provide the additional information within the requested deadline and in the requested format.
- (b) Within 120 days of the department's receipt of a stewardship plan, the department shall review and approve or disapprove the stewardship plan.
- (c) The department shall approve a stewardship plan if, in the department's sole discretion, the stewardship plan meets all applicable requirements of the Act and these Regulations.
- (d) (1) Upon approving a stewardship plan submitted by a dealer cooperative that does not have a dealer cooperative registration number, the department shall issue the dealer cooperative a dealer cooperative registration number.
- (2) If the department disapproves a stewardship plan, the department shall explain the basis on which the department determined the stewardship plan does not comply with the Act and Regulations and provide written notice to the dealer cooperative within 30 days of disapproval. The dealer cooperative shall resubmit a revised stewardship plan within 60 days of the date the written notice was issued, and the department shall review the revised stewardship plan within 120 days of resubmittal.
- (e) (1) After a dealer cooperative's stewardship plan is approved, the dealer cooperative shall notify the department electronically in writing once the stewardship plan is fully operational. Dealer members shall continue to redeem beverage containers on the dealer's premises in accordance with section 14578(a)(1) of the Act until that notification is provided and the stewardship plan is fully operational.
- (2) The notification shall list any processors or recycling centers that were not included in the stewardship plan to which the dealer cooperative will ship beverage containers.

(3) The notification shall list all of the following for each redemption site:

(A) Address of the site.

(B) Name, title, and contact information of a contact person for the site.

(C) Certifications or registration numbers issued by the department held by the redemption contractor operating the site.

(f) A dealer cooperative shall notify the department electronically in writing 30 days prior to a new redemption contractor or new redemption site becoming operational as part of the stewardship program.

(g) Except for the requirement to issue a dealer cooperative registration number specified in subdivision (d), the requirements in this section shall also apply to all of the following:

(1) An updated stewardship plan submitted pursuant to section 2377 of these Regulations.

(2) A change to a stewardship plan submitted pursuant to section 2378 of these Regulations.

(3) Part or all of a stewardship plan resubmitted or updated pursuant to section 2385 of these Regulations.

#### Section 2376.1. Updating Performance Standards

If at any time the department determines, based on a report submitted pursuant to section 2381 of these Regulations, an investigation, an audit, or through any other method, that implementation of a stewardship plan does not offer redemption opportunities that provide comparable consumer convenience to the requirements of section 14571 or 14571.9 of the Act, the department shall notify the dealer cooperative to resubmit an updated stewardship plan with performance standards that provide increased redemption opportunities for consumers. Within 30 days of receipt of the written notice, the dealer cooperative shall resubmit a revised stewardship plan.

#### Section 2377. Stewardship Plan Update

(a) A dealer cooperative shall review its stewardship plan a minimum of every five years from the date of approval by the department to determine whether the stewardship plan needs to be updated.

- (b) (1) If a dealer cooperative determines pursuant to subdivision (a) that its stewardship plan does not need to be updated, the dealer cooperative shall submit that determination to the department at least nine months before the review deadline specified in subdivision (a).
- (2) The department may reject a determination received pursuant to paragraph (1) and require the dealer cooperative to update and submit its stewardship plan to the department within 90 days if the department concludes that the dealer cooperative cannot implement the applicable requirements of the Act and these Regulations without updating the stewardship plan.
- (c) If a dealer cooperative determines pursuant to subdivision (a) that its stewardship plan needs to be updated, the dealer cooperative shall submit the updated stewardship plan to the department at least six months before the review deadline specified in subdivision (a).
- (d) The department shall review and approve or disapprove an updated stewardship plan submitted pursuant to this section in accordance with section 2376 of these Regulations. After a dealer cooperative's updated stewardship plan is approved, the dealer cooperative shall notify the department electronically in writing once the updated stewardship plan is fully operational.

#### Section 2378. Stewardship Plan Changes and Notification

- (a) (1) A dealer cooperative shall submit any change to a stewardship plan electronically in writing for approval by the department and shall not implement the change prior to that approval.
- (2) The department shall review and approve or disapprove a stewardship plan change submitted pursuant to this section in accordance with section 2376 of these Regulations.
- (3) Notwithstanding paragraphs (1) and (2), a dealer cooperative may implement a change to a stewardship plan without submitting the stewardship plan change to the department with prior approval from the department.
- (b) Notwithstanding subdivision (a), a dealer cooperative is not required to submit a stewardship plan change under subdivision (a) and is only required to notify the department electronically in writing 30 days prior to a change to the information specified in section 2375.1(a) of these Regulations.
- (c) In its sole discretion, the department may, upon receipt of a notification submitted pursuant to subdivision (b), require the dealer cooperative to submit a stewardship plan change pursuant to subdivision (a).

## Section 2380. Recordkeeping

- (a) (1) A dealer cooperative shall prepare and retain records according to GAAP.
- (2) Notwithstanding paragraph (1), dealer cooperatives shall retain all documentation related to customer transactions or required under this section for a period of five years.
- (b) As part of a stewardship program, the following records shall be prepared and retained for each beverage container redemption transaction:
- (1) The date the beverage container material was received from the customer redeeming the empty beverage containers. This shall be demonstrated by the use of a daily customer log that includes each customer's printed first and last name and signature, or another method sufficient to track the redemption of individual customers that is described in the dealer cooperative's stewardship plan.
- (2) The date when payment is made to the customer.
- (3) The address where the customer redeemed or delivered the material.
- (4) The method of redemption.
- (5) The payment amount made to the customer by material type.
- (c) As part of a stewardship program, the following records shall be prepared and retained for any material received for which the refund value was not paid to a customer:
- (1) The date the material was received.
- (2) An explanation as to why the refund value was not paid to a customer (e.g., system failure, ineligible for refund value, or customer not identifiable).
- (3) The total weight or count of materials by material type.
- (4) An explanation of how the material was managed (e.g., shipped to a processor as scrap or sent to a solid waste facility).
- (5) Whether scrap value was paid for the material and the amount of scrap value paid.
- (d) A dealer cooperative shall maintain records of dealer cooperative stewardship fees assessed on dealer members.
- (e) Records maintained as part of a stewardship program shall be suitable for examination, including both of the following:

- (1) Records shall be legible.
- (2) Records shall be stored in a secured area where the records are protected from debris, moisture, contamination, hazardous waste, fire, and theft.
- (f) (1) A dealer cooperative shall provide immediate access to any original record required by the Act or these Regulations. Immediate access may include physical inspection of the record at any redemption site or location identified in the approved stewardship plan.
- (2) A dealer cooperative shall transfer any original record required by the Act or these Regulations to the department in the form and manner requested by the department within 10 days of the request.

### Section 2381. Reporting

- (a) (1) A dealer cooperative shall submit a quarterly report to the department that includes the components specified in subdivisions (b) and (c). The quarterly reporting periods shall cover stewardship program activities occurring January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31.
- (2) A report submitted to the department pursuant to this section shall be submitted electronically in writing no later than the 10th day after the quarterly reporting period ends.
- (3) A report submitted to the department or posted online pursuant to this section shall be consistent with the standards set forth in section 7405 of the Government Code and the Web Content Accessibility Guidelines (WCAG) 2.0 published in 2008 by the World Wide Web Consortium. The entirety of the Web Content Accessibility Guidelines (WCAG) 2.0 published in 2008 are incorporated by reference.
- (b) (1) A report submitted pursuant to paragraph (1) of subdivision (a) shall include a redemption component that includes all of the following for the stewardship program for the quarterly reporting period:
  - (A) The total number of empty beverage containers, by material type and collection method, redeemed from consumers, broken down by redemption site for each calendar month.
  - (B) The amount of refund value payments made to consumers by material type and collection method, broken down by redemption site for each calendar month.

- (C) The total weight or count by material type of all material received for which no refund value was paid to a consumer, broken down by an explanation of why the material was deemed ineligible for payment to a consumer (e.g., line breakage, previously redeemed, previously baled, or out-of-state material), for each calendar month.
- (D) Data regarding the stewardship program's collection methods implemented as part of the stewardship plan, including, but not limited to, all of the following:
- (i) The operating time and downtime for any innovative method of redemption used to collect empty beverage containers for each day of the reporting period. For purposes of this subparagraph, the following definitions apply:
- (I) "Downtime" means the dates and times the innovative method of redemption was not accepting empty beverage containers during its identified operational hours. "Downtime" includes any period an innovative method of redemption was down greater than 15 consecutive minutes or if the day's total reached 60 minutes or greater.
- (II) "Operating time" means the dates and times the innovative method of redemption was in operation during its identified operational hours.
- (ii) For each downtime period the innovative method of redemption experienced, the number of containers by material type and number of transactions that occurred using an innovative method of redemption to collect and redeem empty beverage containers.
- (iii) If no containers were redeemed during the innovative method of redemption downtime period, an explanation as to why.
- (2) The redemption component of the quarterly report shall not constitute a record that is exempt from disclosure under the California Public Records Act (Division 10 (commencing with section 7920.000) of Title 1 of the Government Code) or section 14554 of the Act on the basis that it contains trade secret, commercial, or financial information. The redemption component is a public record and shall be publicly disclosed upon request unless an exemption otherwise applies under existing law.
- (3) A dealer cooperative shall post the redemption component of a report that it submits to the department on its internet website.
- (c) A report submitted pursuant to paragraph (1) of subdivision (a) shall include an operational component that includes all of the following for the stewardship program for the quarterly reporting period:
- (1) A description of education and outreach activities related to promoting the stewardship program, including the challenges or successes experienced.

- (2) How many inspections or reviews were undertaken of the redemption sites and what the inspections revealed, including any problems and how those problems were addressed.
  - (3) If the dealer cooperative received a Notice of Violation pursuant to section 2386 of these Regulations, how it plans to correct, or has already corrected, the underlying behavior for which the Notice of Violation was issued.
  - (4) The number of beverages in beverage containers cumulatively sold by dealer members of the dealer cooperative into each convenience zone in which any of the dealer members operate.
  - (5) A description of how the dealer cooperative achieved each performance standard identified in its stewardship plan pursuant to section 2375.1(b)(9) of these Regulations.
  - (6) The revenue and expenses experienced by the dealer cooperative.
- (d) (1) A quarterly report submitted pursuant to this section that is incomplete is a violation of this section.
- (2) If the department determines a submitted quarterly report is incomplete, the department shall provide written notice to the dealer cooperative identifying the missing information within 30 days.
- (3) The dealer cooperative shall submit, electronically in writing, the missing information within 30 days of the date the department issued the written notice.

#### Section 2382. Dealer Cooperative Operation

- (a) A dealer cooperative shall operate according to its approved stewardship plan.
- (b) Each dealer cooperative redemption site shall keep any material determined to be ineligible for redemption segregated from any other material intended for delivery to a certified processor.
- (c) A dealer cooperative shall provide the department with immediate access to any stewardship program storage location or redemption site upon request of the department. A dealer cooperative, dealer member, or redemption contractor shall not store beverage container material at a residential address.
- (d) A person who has had a certification or registration revoked under the Act or Regulations within the past 24 months or has been found to have violated section 14597 of the Act is ineligible to operate as a redemption contractor or dealer cooperative as part of a stewardship program.

- (e) A dealer cooperative may terminate the membership of a dealer member.
- (f) A dealer cooperative shall notify the department electronically in writing six months before the dealer cooperative dissolves or ceases operation.
- (g) A dealer cooperative may ship beverage container material to a processor and receive payments from a processor pursuant to sections 2425 and 2430 of these Regulations.
- (h) A dealer cooperative with an operational stewardship plan approved by the department is eligible for handling fees pursuant to section 2516(g) of these Regulations.

#### Section 2385. Stewardship Plan Revocation; Enforcement Mechanisms

- (a) If a dealer cooperative fails to comply with any applicable requirement of the Act or these Regulations, the department may take one or more of the following actions:
  - (1) Require corrective action, including, but not limited to:
    - (A) Resubmittal of part or all of a previously approved stewardship plan within 30 days of written notification by the department, unless in the department's sole discretion, additional time is warranted.
    - (B) Require additional reporting to verify compliance with any applicable provision of the Act or these Regulations.
    - (C) The department shall review and approve or disapprove a resubmitted stewardship plan, or part of a stewardship plan, in accordance with section 2376 of these Regulations.
- (b) The department may revoke part or all of a previously approved stewardship plan. This revocation may include revoking the dealer cooperative registration number. The reasons for revocation may include but are not limited to:
  - (1) failure to implement any part of the approved plan, including but not limited to achieving the performance standards set forth in the dealer cooperative's approved stewardship plan, or
  - (2) failure to provide redemption in accordance with the applicable provisions of the Act and these Regulations.
- (c) Prior to the department's action pursuant to subdivision (b), the department shall issue a written notice to the dealer cooperative.

- (d) A dealer cooperative may submit to the department a request for a hearing to contest the proposed action within 30 days of receipt of the notice issued pursuant to subdivision (c). The hearing request shall be submitted electronically in writing and shall state the basis for objecting to the department's proposed action. Failure to submit a timely hearing request under this subdivision shall constitute a waiver of the right to a hearing and the department may proceed with the action specified in the written notice.
- (e) A hearing undertaken pursuant to subdivision (d) shall be conducted pursuant to Article 10 (commencing with section 11445.10) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code. The hearing shall be held before the Director of the Department of Resources Recycling and Recovery or the Director's designee.
- (f) The Director of the Department of Resources Recycling and Recovery or the Director's designee shall issue a written decision within 60 days from the date the hearing is concluded.

#### Section 2386. Penalties and Interest Charges

- (a) For violations of this subchapter and sections 14578 and 14578.5 of the Act, the department shall issue a Notice of Violation. The Notice of Violation shall be issued to a manager or other person in authority at the site of the violation and shall contain the information specified in paragraphs (1) to (4). A copy shall be served upon the dealer cooperative within 10 working days. The Notice of Violation served upon the dealer cooperative shall contain all of the following statements:

  - (1) A statement of the violation(s) alleged.
  - (2) The right to a hearing conducted pursuant to Article 10 (commencing with section 11445.10) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code, upon request, at which the dealer cooperative may be represented by counsel.
  - (3) The right to a hearing will be deemed waived if the dealer cooperative fails to respond in writing within 15 days from the date service of the Notice of Violation was received by the dealer cooperative, or the dealer cooperative's agent for service of process, stating that it wishes to assert that right and that, in the event of such failure to respond, the department may assess the maximum civil penalty permitted by law without a hearing
  - (4) A statement, signed by the department inspector issuing the violation(s), verifying the acts or omissions that form the basis of the violation(s).
- (b) For violations of this subchapter and sections 14578 and 14578.5 of the Act by a dealer that is not a member of a dealer cooperative with an operational stewardship

plan approved by the department, the Notice of Violation specified in subdivision (a) shall be served upon the dealer.

(c) Interest on a penalty for a violation of this subchapter or section 14578 or 14578.5 of the Act shall accrue from the date the penalty payment was due.

Section 2000.

\* \* \* \*

(33) "Operator" means the person(s) or entity who has ultimate responsibility for a recycling facility, dealer cooperative, processing facility, dropoff or collection program, or community service program.

\* \* \* \*

(35) "Processor" means any person, including a scrap dealer, who purchases or offers to purchase empty beverage containers from more than one recycling center or dealer cooperative in this state and is responsible for cancelling empty beverage container(s) in a manner prescribed in section 2000(a)(4) of these regulations.

\* \* \* \*

(42) "Scrap Value" is the total net payment per ton to any nonaffiliated sellers in each of the following categories: Certified recycling centers, dealer cooperatives, dropoff or collection programs, community service programs, registered curbside programs, and certified processors, for container material types.

\* \* \* \*

(44) "Shipping Report" is the documentation of the receipt of material by a processor, or by a recycling center from another recycling center, dealer cooperative, dropoff or collection program, community service program, or curbside program. The shipping report is the basis for payments by the ~~Division~~ Department pursuant to Section 14573 of the Act.

Section 2030.

(a) All applications for certification shall be reviewed by the ~~Division~~ Department for compliance with these regulations.

- (b) The ~~Division~~ Department shall assess the readiness of all new applicant(s) and periodically conduct field investigations to verify the accuracy of information contained in the certification application and explain program requirements.
- (c) The ~~Division~~ Department shall notify the applicant in writing within thirty (30) working days of receipt of the application, or receipt of additional information if the application was initially incomplete, that it is either:
  - (1) Complete and accepted for further review, or
  - (2) Incomplete and the reasons for the incompleteness.
- (d) Upon determining that an application is complete, the ~~Division~~ Department shall notify the applicant in writing within sixty (60) calendar days that such application is either:
  - (1) Approved,
  - (2) Approved with a probationary status, or
  - (3) Denied and the reasons for denial.
- (e) In determining whether the operator is likely to operate in accordance with these regulations, the ~~Division~~ Department shall review the certification history of the operator and other individuals identified in the application as responsible for the recycling center, processing facility, dropoff or collection program, or community service program operation.
- (f) The ~~Division~~ Department shall review its records to determine whether one or more certified entities have operated within the past five years at the same location that is the subject of an application for certification of a recycling center or processor. If one or more entities have operated at the same location, the ~~Division~~ Department shall review the certification history of the entity or entities certified at the same location within the past five years and determine whether the operations at the location exhibit, to the ~~Division's~~ Department's satisfaction, a pattern of operation in compliance with the requirements of the California Beverage Container Recycling and Litter Reduction Act, including all relevant regulations adopted thereunder.
- (g) Reasons for denial of applications may include, but shall not be limited to, any of the following:
  - (1) Failure to provide information or documentation to complete the application as stipulated in section 2045 and 2055 of these regulations;
  - (2) The operator is unwilling to accept and redeem all beverage container types;

- (3) The recycling center operator does not agree to be open for business at least thirty (30) hours per week, five (5) of which are other than from 9 a.m. to 5 p.m. on Monday through Friday;
  - (4) The operator's certification history demonstrates outstanding fines, penalties, or audit findings;
  - (5) The operator's certification history discloses decertification of a recycling center, processing facility, dropoff or collection program, or community service program within the past two-year period;
  - (6) The operator's certification history demonstrates a pattern of operation in conflict with the requirements of the California Beverage Container Recycling and Litter Reduction Act, including all relevant regulations adopted thereunder; or
  - (7) For applications for certification of recycling centers or processors, the certification history of one or more entities certified at the same location within the past five years fails to demonstrate to the ~~Division's~~ Department's satisfaction a pattern of operation in compliance with the requirements of the California Beverage Container Recycling and Litter Reduction Act, including all relevant regulations adopted thereunder
  - (8) The renewal applicant does not possess a valid application voucher that expires on or after the expiration date of the certification being renewed.
  - (9) The proposed recycling center is located within a convenience zone where a dealer cooperative is operating a stewardship plan approved by the Department pursuant to subchapter 4.5 of these Regulations. The Department shall not approve a recycling center application if the dealer cooperative located in the convenience zone is in good standing, demonstrated by the dealer cooperative's compliance with the applicable provisions of the Act and these Regulations.
- (h) Notwithstanding paragraph (3) of subsection (g) above, the ~~Division~~ Department may allow the applicant to operate less than 30 hours per week if all of the following conditions are met:
- (1) the recycling center will be located in a designated rural region; and,
  - (2) the recycling center will not be located within a convenience zone; and,
  - (3) the proposed operating hours will not significantly decrease the ability of consumers to conveniently return beverage containers for the refund value to a certified recycling center redeeming all material types.

Section 2425.

The processor initially receiving material from recycling centers, dealer cooperatives, curbside programs, dropoff or collection programs, or community service programs shall prepare and submit to the ~~Division~~ Department the report described in this section.

- (a) The report, whether submitted electronically or by hardcopy, shall be submitted monthly or, at the option of the processor, up to thirty (30) times per calendar month. The reporting periods for the month must cover from the beginning to the end of the calendar month and not overlap any days.
  - (1) All reports shall be submitted no later than 30 days after the last day of the reporting period.
  - (2) Processors shall be allowed to submit no more than four supplemental processor invoices per material type, per original processor invoice, provided each is submitted no later than forty-five (45) days from the following events:
    - (A) The due date of the original processor invoice that the supplemental processor invoice covers, if it is for new shipping reports not previously submitted with the original processor invoice being supplemented; or
    - (B) The date appearing on the Notice of Denial (NOD) if the reports were previously denied or if the reports are a combination of new shipping reports not previously submitted with the original processor invoice and previously denied shipping reports
  - (3) Processors shall be allowed to submit multiple amended processor invoices per material type, per original processor invoice, provided each is submitted no later than thirty (30) days after the due date of the original processor invoice being amended.
  - (4) Nothing herein shall limit the ~~Division's~~ Department's authority to accept an amended processor invoice.
- (b) The report shall contain the following information, by material type, in addition to the general requirements for reporting contained in section 2090 of these regulations.
- (c) A summary of the processor's transactions during the period covered by the report, including all of the following information:
  - (1) The total weight of all material, including empty beverage containers received by the processor; and
  - (2) The total weight of empty beverage containers received, and the refund value, and applicable administrative and processing payments paid for such material by material type; and

- (3) Total payments requested from the ~~Division~~ Department for the period. These payments are computed as the sum of the total reported refund value paid, the administrative fees paid, and the processing payments paid.
- (d) Each report shall also include copies of the shipping reports for the period of the report. The total number of shipping reports included shall be specified.
- (e) Each report shall also contain a shipping report prepared by the processor for each shipment of materials received from any dealer cooperative, curbside program, dropoff or collection program, or community service program, and a shipping report for each shipment of materials received from a recycling center that has been prepared by the recycling center and completed by the processor. Each report shall include all of the following information:
  - (1) The name and identification number or certification number, of the entity shipping the material to the processor; and
  - (2) The name and the certification number of the processor receiving the material; and
  - (3) The date the material was received and the material type covered by the report; and
  - (4) The received weight, excluding line breakage, rejected containers, and out-of-state containers; and
  - (5) The total weight of empty beverage containers purchased by the basis for the refund value payment (e.g. segregated and weighed; commingled and weighed, segregated and counted); and, for plastic, aluminum, and glass, collected by a curbside program, or a dropoff or collection program that meets the requirements of Section 2850, the registered curbside program or certified entity eligible for the quality incentive payment shall be identified as either the Shipper (S), or the Receiver (R) in the QIP (Quality Incentive Payment) Box.
  - (6) The refund value paid; and
  - (7) The total administrative fees paid, when applicable; and
  - (8) The processing payments paid; and
  - (9) The name and signature of the shipper or an authorized representative of the shipper and date signed; and
  - (10) The weight ticket date and weight ticket number; and
  - (11) The shrinkage deduction taken, if any; and

(12) The name and signature of an authorized representative of the processor and the date signed.

(f) Additionally each certified processor shall submit a Scrap Value Purchases Survey Form DOR - SV (10/00) report for purchases of beverage container material types every month. The DOR - SV (10/00) Scrap Value Purchases Survey Form shall be submitted to the ~~Division~~ Department no later than the 10th day of the month following the month of the report. The DOR - SV (10/00) Scrap Value Purchases Survey Form must be submitted regardless of whether or not purchases occurred in the applicable time period. In addition to the general requirements for reporting contained in section 2090 of these regulations, the DOR - SV (10/00) Scrap Value Purchases Survey Form shall contain all of the following information, if applicable:

(1) The processor's name, address and certification number, physical address, including city, phone number and date prepared; and,

(2) The month covered by the report; and

(3) The total weight, in tons, of each beverage container material type purchased, even if zero, from nonaffiliated sellers, excluding beverage container material types received in a form mixed with other beverage material types or material types not covered by the Act, in each of the following categories: certified recycling centers, dealer cooperatives, dropoff or collection programs, community service programs, processors, registered curbside programs, any certified and non-certified entities; in the case of glass, beneficiating and nonbeneficiating processors shall be reported separately; and

(4) The total weight, in tons, of each beverage container material type received from affiliates and/or subsidiaries. Beverage container material that processors receive in a form mixed with other beverage container material types and/or material types not covered by the Act, whether from affiliates or nonaffiliates, shall be reported with the affiliated transaction after the material has been sorted and the received weight determined.

(5) The total net payment for the reported total monthly weight, in tons, for each beverage container material type purchased, by the reporting processor from nonaffiliated sellers in each of the categories listed in item 3 above; and

(6) For glass only, the monthly total weight, in tons, of purchased beverage container material types by color; and the monthly total weight of color sorted or mixed glass purchased from any non-affiliated beneficiating or nonbeneficiating processor; and

(7) For plastic, the monthly total weight, in tons, of purchased beverage container material types, by each plastic resin code type (1 through 7); and

(8) The printed name and signature of an authorized representative of the reporting processor.

- (g) Processors purchasing materials directly from more than one curbside program, dropoff or collection program, or community service program may apply to the ~~Division~~ Department to request the use of alternative methods for preparing the corresponding shipping reports. The ~~Division~~ Department shall consider each proposed alternative method and issue a written approval or denial within forty-five (45) calendar days.
- (1) In order for alternative methods to be accepted, they must be based on reasonable allocation methods.
  - (2) An application for an alternative allocation method shall be denied if:
    - (A) The received weight of the material purchased by an entity from the processor is not used to calculate allocations to the curbside programs, dropoff or collection programs, or community service programs; or
    - (B) The processor does not ensure that the weight of rejected containers, line breakage, and out-of-state containers is not included in the allocated weight (this does not require a physical separation); or
    - (C) The processor does not account for each incoming load of material; or
    - (D) The processor does not inspect incoming material to verify that it is eligible for refund value payments, as specified in section 2401.
  - (3) Processors may file a formal appeal by writing the Assistant Director for Recycling within thirty (30) calendar days after the receipt of a notice denying an application requesting an alternative method for shipping report preparation. Appeals submitted after this time period shall be rejected. All written appeals shall include:
    - (A) A copy of the notice denying the allocation method;
    - (B) A detailed explanation of why the determination was in error; and,
    - (C) Any other documentation that supports the appeal.
  - (4) A written decision on the appeal shall be sent to the processor within seven (7) calendar days of the receipt of the appeal.
- (h) Processors purchasing commingled glass from a certified dropoff or collection program including a “waste reduction facility”, a certified community service program, or a registered curbside program, shall visually inspect every load delivered to determine eligibility for refund value and the level of contamination in the load. If a load presented to a processor is eligible for refund value and has residual or other contamination, the processor shall reduce the load for shrinkage. If a load has a residual or other contamination level of greater than 10% by weight, and the load is otherwise eligible for refund value, the receiving processor shall request an

alternative method of preparing the shipping report for payment. The ~~Division~~ Department shall consider each proposed alternative method and issue a written approval or denial within forty-five (45) calendar days.

(1) In order for the alternative method to be accepted, it must:

(A) Be based on a recycled glass cleaning process that produces cullet which meets the American Society for Testing and Materials standard specification for waste glass as a raw material for the manufacture of glass as specified in Section 2000(a)(3.1)(A).

(B) Clearly state:

1. That the received weight, for beverage container redemption purposes, shall be determined from the cullet produced in (A) above.
2. That the redemption weight shall be determined using the applicable commingled rates and the received weight from 1.
3. That, if a sampling procedure will be used to determine the received weight of contaminated loads from each entity, the sampling procedure must be included with the request for an alternative method of preparing the shipping report.

(2) An application for an alternate method will be denied if:

(A) The total weight of all contaminated materials received at the facility is not recorded.

(B) All material received at this facility is not inspected for the presence of out-of-state, rejected, or line breakage containers and this weight excluded from shipping reports.

(C) Records accurately supporting both cullet sold and residual or contaminated material disposed of or used for an alternative market is not made available to Department staff upon request.

(D) The method does not clearly account for the weight of empty beverage containers for each certified dropoff or collection program including a “waste reduction facility”, certified community service program, or registered curbside program from which the processor receives this material.

(3) When used in this subsection, “waste reduction facility” means a dropoff or collection program certified by the Department, which separates beverage container material types from mixed waste.

Section 2430.

(a) Payments to recycling centers or dealer cooperatives.

- (1) Substantiation of payment. The processor shall weigh, and pursuant to section 2401, inspect all loads received from recycling centers or dealer cooperatives before completing the receiver's section of the shipping reports. The processor shall do all of the following for materials received from recycling centers
  - (A) Verify all calculations are accurate and that all other pieces of information shown on the shipping report, including signatures, are filled in.
  - (B) Record the received weight, excluding the weight of rejected containers, line breakage and out-of-state containers provided by the shipping recycler, onto the shipping report.
  - (C) Sign and date the shipping report to verify the receipt of the materials as indicated on the report.
  - (D) Calculate the refund value payment. If the redemption weight does not exceed the received weight by more than 2.5 percent, then the processor shall reimburse the recycler the refund value claimed. Otherwise, the processor shall multiply the received weight by the segregated rate per pound and record that amount as the refund value paid.
  - (E) Calculate the processing payment. If the redemption weight does not exceed the received weight by more than 2.5 percent, then the processor shall multiply the redemption weight claimed by the processing payment in effect on the date the material was received and pay that amount. Otherwise, the processor shall multiply the received weight by the processing payment in effect on the date the material was received and pay that amount.
  - (F) Calculate the administrative fee. The processor shall multiply the refund value paid from (D) by the administrative fee rate in effect on the date the material was received and pay that amount.
- (2) In addition to the provisions of this section, processors shall not make any payments pursuant to the Act for materials which have not been delivered to the processor unless the following conditions are met:
  - (A) The shipper is a certified recycling center to which the processor has given authorization to cancel pursuant to section 2110 of these regulations; and
  - (B) The delivery to a location of end use and cancellation are verified in accordance with section 2420(d) of these regulations.

- (3) In the case of processors that do not take delivery of the material, the weight shall mean the weight received by the entity to whom the material is physically delivered.
- (4) In no case shall a processor make any payments pursuant to the Act for any material which the processor has rejected for any reason.
- (b) Payments to curbside programs. Processors shall pay the refund value, administrative fees and any applicable processing payments for materials delivered to the processor from curbside programs. Processors shall adjust the refund value rate to account for shrinkage in the same manner as set forth in subsection 2535(e) of these regulations.
- (1) Substantiation of payment. The processor shall compute the refund value, administrative fees and applicable processing payments based upon the materials delivered on the shipping report prepared pursuant to subsection 2425(c) of these regulations. The processor shall provide a duplicate copy of the shipping report to the shipper. Notwithstanding any other provision of this subchapter, curbside programs may not be paid at more than the applicable statewide average commingled rate, or the ~~Division's~~ Department's approved individual commingled rate.
- (2) Calculation of payment and fee.
- (A) The processor shall pay based on the received weight of the material, excluded the weight of rejected, line breakage and out-of-state containers, multiplied by:
1. the statewide commingled rate, or the ~~Division's~~ Department's approved individual commingled rate in effect on the date received; and
  2. the per pound processing payment in effect on the date received, when applicable.
- (B) In addition, administrative fees shall be calculated as three-fourths of one percent (3/4%) of the total refund value.
- (c) Payments to dropoff or collection programs and community service programs. Processors shall adjust the refund value rate to account for shrinkage in the same manner as set forth in subsection 2535(e) of subchapter 6 these regulations. Notwithstanding any other provision of this subchapter, dropoff or collection, and community service programs may not be paid at more than the applicable statewide average commingled rate, or the ~~Division's~~ Department's approved individual commingled rate.
- (1) Substantiation of payment. Based upon materials received, the processor shall prepare a shipping report which states the refund value and applicable processing payments paid. The shipping report shall be prepared pursuant to

subsection 2425(c) of these regulations. The processor shall provide a copy of the shipping report to the shipper.

(2) Calculation of payment and fee.

(A) The processor shall pay based on the received weight of the material, excluding the weight of rejected, line breakage and out-of-state containers, multiplied by:

1. the statewide commingled rate, or the ~~Division's~~ Department's approved individual commingled rate in effect on the date received; and
2. the per pound processing payment in effect on the date received, when applicable.

(d) Payments for canceled material. The authorizing processor shall make payment in accordance with Section 14573.5 of the Act, to recycling centers for canceled material provided the material is shipped to the authorizing processor or to a location designated by the authorizing processor. For such transactions, program payments will be issued by the ~~Division~~ Department to processors issuing the written authorization to cancel. Program payments will not be issued by the ~~Division~~ Department to processors for loads for which they have received authorization to cancel.

Section 2516.

(a) In addition to meeting the requirements of Section 14585 of the Act, a recycling center shall meet all of the following criteria for handling fees eligibility on the first day of the calendar month for which they are claimed. A recycling center must be:

- (1) certified, operational, and accepting and paying refund value to consumers for all empty beverage container material types; and
- (2) located within a convenience zone; and
- (3) a "supermarket-site" recycling center as defined in Section 14526.6 of the Act, or a nonprofit convenience zone recycler as defined in Section 14514.7 of the Act, or a rural region recycler as defined in Section 14525.5.1 of the Act; and
- (4) the only certified, non-grandfathered recycling center in the convenience zone.

(b) The ~~Division~~ Department shall inspect each supermarket site, nonprofit convenience zone recycler, or rural region recycler to determine whether such sites satisfy the requirements of this section.

- (c) Commencing January 1, 1993, a recycling center, which locates within a convenience zone, thereby causing a preexisting recycling center to become ineligible to receive handling fees, shall never be eligible to receive handling fees in that convenience zone. Such ineligibility shall apply to the parent company, its subsidiaries and affiliates even if the preexisting recycling center ceases to operate within the convenience zone. Such ineligibility shall also apply to the parent, the subsidiaries and the affiliates of any grandfathered recycling center which elects to begin accepting all material types.
- (d) A rural region recycler may combine total monthly beverage container purchases from two or more of its convenience zone sites to establish eligibility for a single handling fee payment by submitting the following information monthly in writing:
- (1) The certification numbers and addresses of the locations where receipt and/or log transactions are to be combined;
  - (2) The month and year of the transactions to be combined;
  - (3) The company name, address, contact person and business phone number, signed and dated by the contact person.
- (e) The additional information required in subsection (d) shall be submitted no later than the fifth day of the first month following the reporting month. A rural region recycler that fails to provide this information by the date specified in this subsection shall not be eligible for a single handling fee payment based on combined monthly beverage container purchases from two or more of its convenience zone sites
- (f) A rural region recycler shall submit a separate Handling Fee Application Form (Form DR-14 (1/00)) for each convenience zone site which is combined with one or more convenience zone sites to establish eligibility for a single handling fee payment.
- (g) A dealer cooperative with an operational stewardship plan approved by the Department pursuant to subchapter 4.5 of these Regulations is eligible for handling fees under this article.