



# Persons' Importing Out-of-State Beverage Container Materials – Workshop #1

April 26, 2012



# AGENDA

- Background
- Overview of CDFA Pilot Project
- Regulations Development – Working Assumptions
- Discussion and Feedback
- Next Steps



## BACKGROUND

- **Public Resources Code 14595(a)(2) - No person shall, with intent to defraud, do any of the following:**
  - (A) Redeem or attempt to redeem an out-of-state container, rejected container, line breakage, previously redeemed container, or other ineligible material.
  - (C) Bring an out-of-state container, rejected container, line breakage, or other ineligible material to the marketplace for redemption.
  - (D) Receive, store, transport, distribute, or otherwise facilitate or aid in the redemption of a previously redeemed container, out-of-state container, rejected container, line breakage or other ineligible material.



## BACKGROUND

- **Based upon observations made by DOJ, local law enforcement agencies and CalRecycle investigators, unscrupulous individuals and entities routinely...**
  - Purchase and/or collect OOS used beverage containers (UBCs) in large quantities in Arizona, Nevada, New Mexico, etc.
  - Ship them loose into CA, typically to a designated location(s) and break down loads into quantities just below the daily load limits and/or just below 250 AL reporting threshold
  - Transport loads of loose OOS UBCs to certified recycling centers throughout CA. Representing themselves as a CA consumer or some type of 'collector' and attempt to illegally redeem for CRV









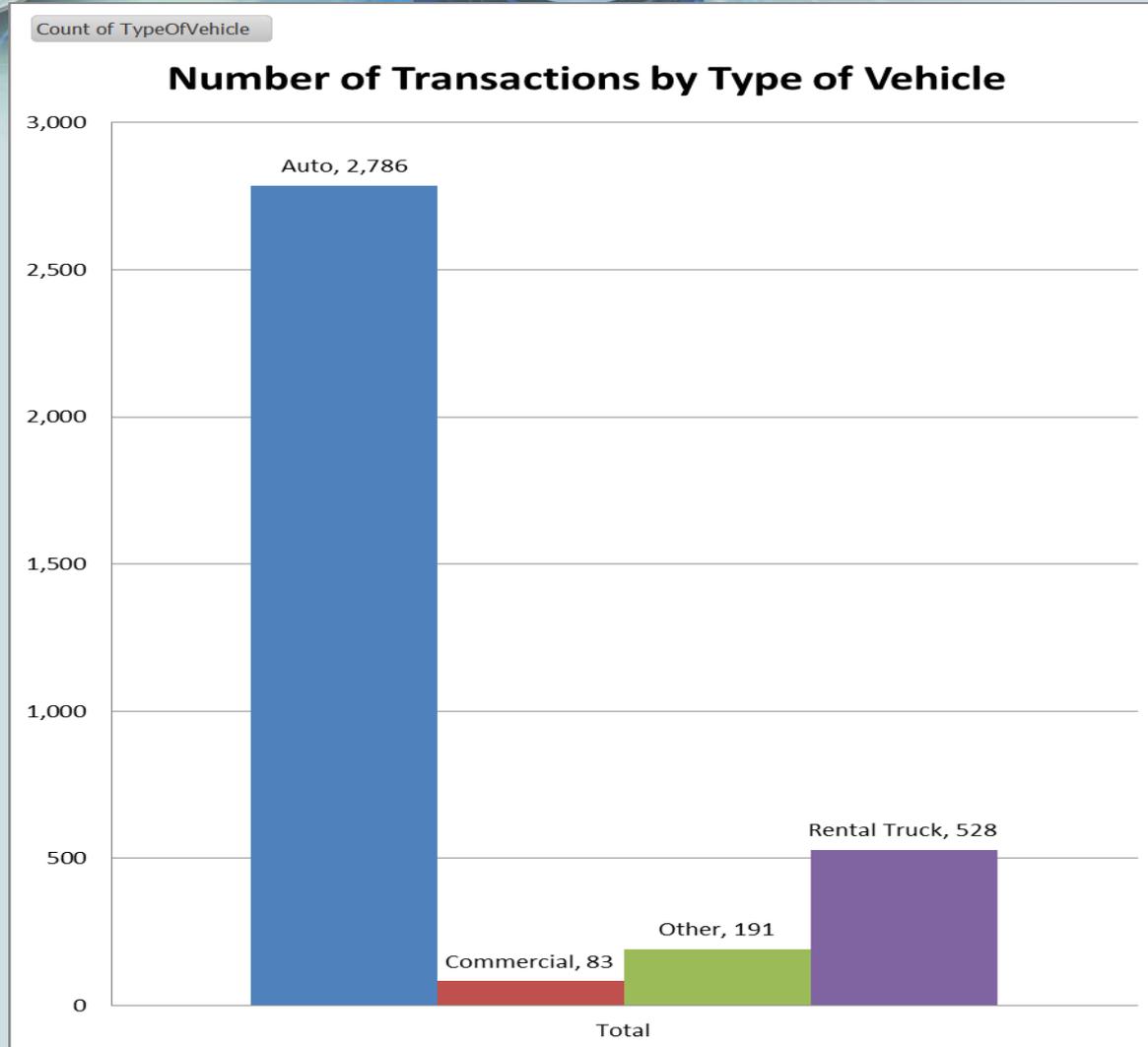




# OVERVIEW – CDFA BPS PILOT PROGRAM

- CalRecycle/CDFA Border Protection Station (BPS) Pilot Project:
  - From July – September 2011, CDFA BPS captured data associated with vehicles importing UBCs into CA through all 16 CDFA BPS
  - CDFA BPS Agents captured data during all hours BPS was open and operating. Provided data daily to CalRecycle
  - Objective was to establish baseline data of number, frequency & type of vehicles importing OOS UBCs into CA

# CDEA BPS PILOT PROGRAM DATA

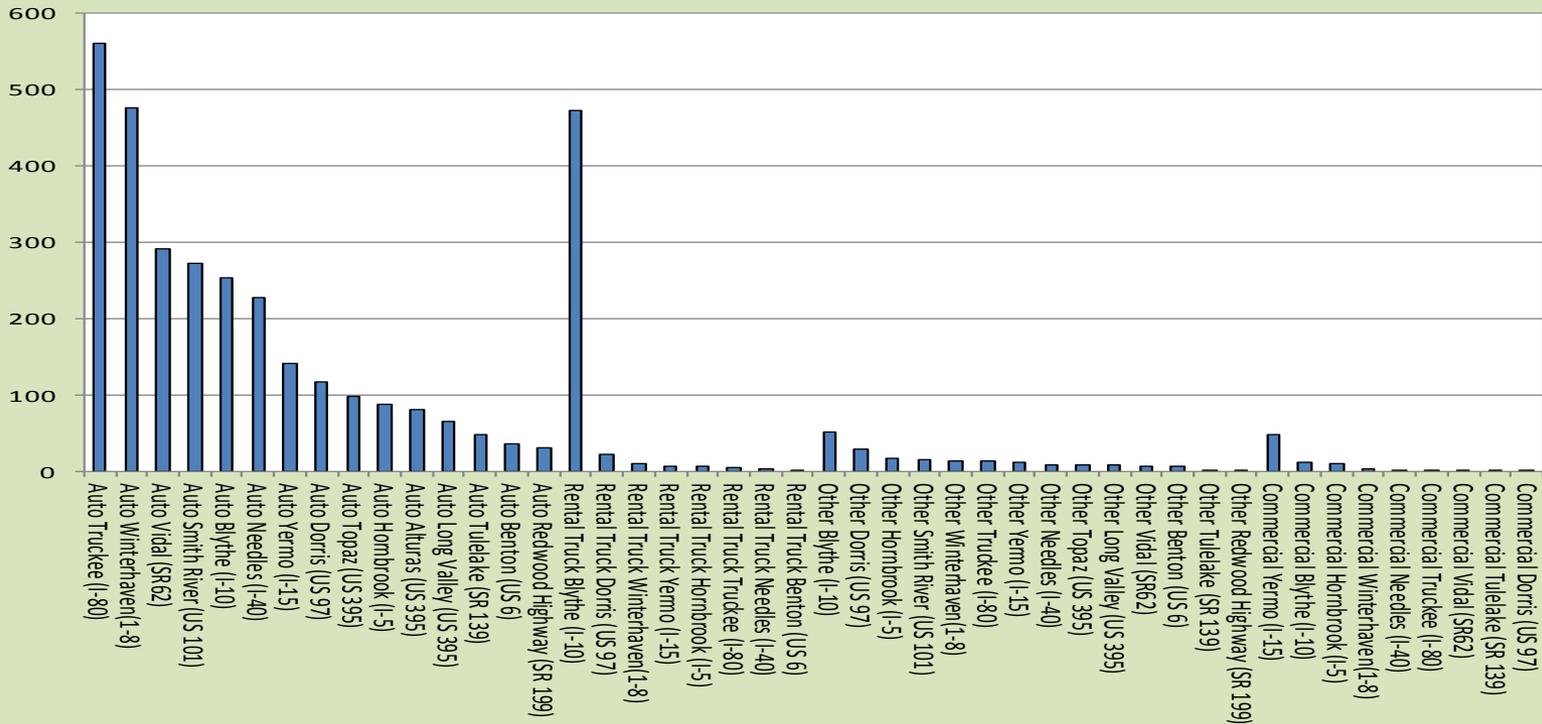


# CDEFA BPS PILOT PROGRAM DATA

## GRAPH OF VEHICLE TYPE PER INSPECTION STATION

For the Period of June 15, 2011 Through September 15, 2011  
AS OF October 24, 2011

### Number of Loads for Vehicle Type per Station



# CDEFA BPS PILOT PROGRAM DATA

## FULL RENTAL TRUCK - ACTIVITY REPORT

This report aggregates survey results for Rental Trucks documented as having a full loads of UBCs  
 This report is consolidating Survey Results by Calendar Day and Vehicle Type As Of October 24, 2011 for  
 the 93 day period between June 15, 2011 and Sept 15, 2011

|     |   |
|-----|---|
| 528 | Total Number of Rental Trucks                         |
| 84  | Number of Survey days with reports                    |
| 93  | Number of Calendar Days [6/15/2011 through 9/15/2011] |
| 1   | Minimum count of Trucks per day                       |
| 22  | Maximum count of Trucks per day                       |
| 5.7 | Average/mean number of Trucks per Calendar Day        |
| 5   | Median number of Trucks                               |
| 4.1 | Standard Deviation for Trucks per day                 |

### PROJECTIONS:

|                 |   |
|-----------------|---|
| 360             | Days per Calendar Year  |
| 5.7             | Average Number of Rental Trucks per Calendar Day                          |
| 2,052           | Projected Loads of Full Rental Trucks per Calendar Year                   |
| 1,500           | Applied average load weight per Full Truck for projection                 |
| 3,078,000       | Total Projected weight of UBCs being imported via Full rental Trucks only |
| \$ 1.57         | Current Segregated rate per pound of Aluminum                             |
| \$ 4,832,460.00 | Projected Annual CRV value of OOS UBCs imported in Rental Trucks          |



## **PRC - DIVISION 12.1, CHAPTER 8.5**

### **➤ Legislative Intent (PRC Section 14595):**

- The Legislature finds & declares that the redemption of beverage container material imported from out of state,...presents a significant threat to the integrity of the beverage container recycling program.”
- Intent of the Legislature that no refund value or other recycling program payments be paid to any person for this material.



## **PRC - DIVISION 12.1, CHAPTER 8.5**

### **➤ Legislative Intent (PRC Section 14595):**

- Intent of the Legislature that any person participating in conduct intended to defraud the state's beverage container recycling program shall be held accountable for that conduct



## **PRC - DIVISION 12.1, CHAPTER 8.5**

### **➤ ‘Person’ Definition (PRC Section 14595.4):**

- “Person” means any individual, corporation, operation, or entity, whether or not certified or registered pursuant to this division.



## **PRC - DIVISION 12.1, CHAPTER 8.5**

### **➤ Reporting Requirement and Payment Prohibition - PRC Section 14596 (a)**

- “Any person importing more than **100 pounds** of aluminum, bimetal, or plastic beverage container material, or more than **1,000 pounds** of glass beverage container material, into the state, shall report the material to the department and provide the department with an opportunity for inspection, in accordance with regulations adopted by the department.”

**100 lbs. Aluminum UBCs  
(loose)**





# AB 1933-PROPOSED CHANGES

## ➤ PRC Section 14596 (a)

- “Any person importing more than ~~100~~ 25 pounds of aluminum, bimetal, or plastic beverage container material, or more than ~~1,000~~ 250 pounds of glass beverage container material, into the state, shall report the material to the department and provide the department with an opportunity for inspection, in accordance with regulations adopted by the department.

*all of the following:*



# AB 1933 PROPOSED CHANGES

## ➤ PRC Section 14596 (a)

- *Documentation on the source of the material*
- *Documentation on the destination of the material*
- *An* opportunity for inspection, in accordance with the regulations adopted by the departments.

50 lbs. Aluminum UBCs (loose)



SUS BOTELLAS DE  
VIDRIO Deben estar  
Separadas por color

SUS CUBOS  
BOTELLAS ALUMINUM  
DESCRIBIDO EN  
CARTAS



# **REGS DEVELOPMENT - WORKING ASSUMPTIONS**

- Reporting & inspection requirements would not apply to imported pre-fill or fill beverage containers of any kind
- Working definition for a “used beverage container” - Empty beverage containers which have the seal or closure installed by the manufacturer, broken or removed
- All vehicles importing OOS UBC materials into CA in excess of the statutory limits would be required to pass through the nearest CDFA BPS



# **REGS DEVELOPMENT - WORKING ASSUMPTIONS**

- CalRecycle / CDFA BCP will be approved in the Governor's FY 2012/13 Budget
- CDFA Border Protection Agents will monitor vehicles entering CA via all open & operating CDFA BPS, during normal operating business hours, for the presence of OOS UBC materials
- Reporting & inspection requirements would more stringent for loads of UBCs shipped loose as opposed to loads of UBCs that are densified, baled or crushed



# **REGS DEVELOPMENT - WORKING ASSUMPTIONS**

- Driver's License number, state of issuance, and name of driver of vehicle importing OOS UBCs
- Vehicle license #, state of issuance, vehicle type
- Material type(s) being imported
- Quantity of materials being imported
- Disposition of material (loose, baled, crushed, etc.)
- Origin and destination of materials
- If rental truck, company & vehicle ID #



# **REGS DEVELOPMENT - WORKING ASSUMPTIONS**

- Individual importing UBC materials into CA will be required to maintain a copy of the completed survey form with the load of material at all times up to the point the imported UBC materials are physically transferred to the individual/entity denoted on the form as the 'destination' of the UBC materials



# **REGS DEVELOPMENT - WORKING ASSUMPTIONS**

- Implementation will be phased, with the primary focus during the first phase being on interstate motor vehicle traffic
- Outreach materials would be developed and provided to CDFA BPS agents for distribution to individuals importing OOS UBCs. Materials will be developed in English and Spanish versions.
- CalRecycle may implement a “soft opening” prior to enforcing any regulatory requirements



# DISCUSSION AND FEEDBACK



## NEXT STEPS

- CalRecycle / DOR will review & analyze feedback received during this workshop for consideration in developing draft regulations
- CalRecycle / DOR will draft proposed regulations
- CalRecycle / DOR will provide all interested parties an opportunity to review draft proposed regulations at a future public workshop in advance of CalRecycle formally promulgating regulations to implement PRC 14596(a)