



DEPARTMENT OF CONSERVATION

DIVISION OF RECYCLING – CERTIFICATION SERVICES BRANCH

801 K STREET • MS 15-59 • SACRAMENTO, CALIFORNIA 95814

PHONE 916 / 323-3008 • FAX 916 / 323-4907 • TDD 916 / 324-2555 • WEB SITE conservation.ca.gov

NOTICE

June 23, 2006

TO: Certified Operators Purchasing From Multiple Curbside, Community Service or Dropoff or Collection Programs

SUBJECT: Allocation Methodology

A review of our database indicates that your company may purchase and report California Refund Value (CRV) beverage containers from more than one curbside program, community service program, and/or dropoff or collection program. Because material from multiple programs is typically mixed together prior to being sorted, determining how to correctly allocate material to each program can be difficult. The Department of Conservation, Division of Recycling (Division) allows operators of processing facilities and recycling centers to request the use of an alternative method for reporting material purchases. The method for allocating material typically uses characterization studies and/or tonnage comparisons to determine the volume that should be allocated to each program from which you purchase material. Regulations have been in place for several years but very few operators have applied to the Division to use this alternative method. If material is not properly allocated, waste diversion is inaccurately reported and certified and/or registered programs may not receive accurate payments from the California Beverage Container Recycling Fund.

If a processor or recycling center chooses not to apply for an allocation methodology, it must submit a separate shipping report (DR6) for each material type in every load that is purchased. For example, if the load contains four materials that are eligible for CRV, you must complete and submit four shipping reports. If you purchase material from ten programs per day, with four material types in each load, you are required to complete and submit forty shipping reports per day. This requirement is manageable if the received material is kept separate from all other material. But if the material is mixed with material from other programs, the recordkeeping and reporting workload for the operator can be significant.

Some entities use a consolidated shipping report to report purchasing activities to the Division. A consolidated shipping report is a summary of all activity for a specific time period and material type. It contains a detail form that specifies what volume of material was purchased from whom. The consolidated shipping report is used in lieu of

submitting a DR6 for each load and each material type; however, it does not determine how to allocate volumes to each program. Those entities using a consolidated reporting number may still be required to submit an allocation methodology application. Contact the number below to determine if you need to have an approved allocation methodology in addition to a consolidated reporting number.

The Division is hereby requesting all processors and recycling centers purchasing material from more than one curbside program, community service program, and/or dropoff or collection programs to submit an application to request the use, or continued use, of an allocation methodology. All applications must be received by July 31, 2006. If no application is received by July 31, 2006, you will be contacted for a site visit. The site visit will be used to determine the need for an allocation methodology and to fill out the application. Those entities that already have an approved allocation methodology are also required to complete and submit the new application. The new application requests information that is more applicable to today's business practices.

You can access the allocation methodology application, find answers to frequently asked question, and submit your application electronically on the Department of Conservation Web site at <http://www.consrv.ca.gov/DOR/crcp/processors/Amintro.htm>. Upon receipt of a completed application, the Division will either approve or deny your request within 45 calendar days.

To request an application or for more information regarding allocation methodologies, please contact Bill Castillo, Curbside Section, at (916) 323-2271 or Bill.Castillo@conservation.ca.gov.

Sincerely,

Dana Stone
Acting Assistant Director
for Recycling