

1. Definitions

- A. **Commodity.** “Commodity” means processed material that meets an industry specification, and for each material type does not require further processing before entering a process that converts that material to a new feedstock.
- ~~(1) For glass, does not require further processing before entering a glass furnace or before use in the production of filtration media, abrasive materials, glass fiber insulation or construction materials;~~
- ~~(2) For metal, does not require further processing before entering a smelter or furnace;—~~
- ~~(3) For paper, does not require further processing before entering a pulping operation; and—~~
- ~~(4) For plastic, does not require further processing before entering a pelletization, extrusion, or molding operation; or in the case of plastic flakes, does not require further processing before use in a final product.—~~
- B. **Commodity stream.** “Commodity stream” means packaging material types and other materials managed together and sold as a commodity.
- C. **Contamination.** “Contamination” means the material not included in a set of accepted materials, yet present in a packaging stream.
- D. **Contractor.** “Contractor” means an entity paid to assist in or otherwise perform the management of a packaging stream.
- E. **Disposal.** “Disposal” means the final disposition of material ~~in a manner that does not constitute recycling. Disposal includes any~~via placement of the material in the permitted area of a landfill.
- F. ~~Disposal~~**Alternative management stream.** ~~“Disposal stream~~Alternative management” means packaging material types and other materials that are managed together ~~prior to and diverted from~~ disposal in a landfill and utilized for waste-to-energy or other uses, approved by the department, to support the State’s solid waste management hierarchy in (38 MRSA §2101).

Contamination removed from a mixed packaging stream or commodity stream does not constitute ~~a disposal stream~~[alternative management](#).

- G. **Manage or Management.** “Manage or Management” means to collect, transport, process, ~~and or~~ otherwise prepare a packaging stream for recycling or ~~disposal~~[alternative management](#). Management includes educational initiatives to facilitate collection and litter pick-up.
- H. **Mixed packaging stream.** “Mixed packaging stream” means packaging material types and other materials that are managed together prior to being separated into ~~recycling streams~~ ~~disposal stream~~[alternative management streams](#) or commodities.
- I. **Municipal population.** “Municipal population” means the population according to the most recent 10-year U.S. census data.
- J. **Packaging stream.** “Packaging stream” means packaging material types and other materials that are managed together. Commodity streams, ~~disposal stream~~[alternative management streams](#), and mixed packaging streams are types of packaging streams.
- K. **Packaging material type.** “Packaging material type” means a discrete type of material or a category of material that includes multiple discrete types of material with similar management requirements and similar commodity values, as defined through the annual process for determining a material’s status as readily recyclable.
- L. **Reporting entity.** “Reporting entity” means a participating municipality or an affiliated contractor that reports to the Stewardship Organization (S.O.) in accordance with SECTION CALCULATION OF THE PER TON COST BY DISPOSAL STREAM OR COMMODITY.
- M. **Set of accepted materials.** “Set of accepted materials” means materials permitted in a packaging stream.
- N. **Significantly different.** “Significantly different” means, with respect to audit results, one group of results does not fall within the specified confidence interval of another.
- O. **Similar municipalities.** “Similar municipalities” means collectively the members of each separate group of municipalities defined by the following criteria:
- (1) Municipalities located in Lincoln, Penobscot, Knox, Kennebec, Cumberland, York, Androscoggin, and Sagadahoc counties with a municipal population of less than 6,500.

- (2) Municipalities located in Oxford, Franklin, Washington, Aroostook, Piscataquis, Waldo, Hancock, and Somerset counties with a municipal population of less than 1,200.
 - (3) Municipalities located in Lincoln, Penobscot, Knox, Kennebec, Cumberland, York, Androscoggin, and Sagadahoc counties with a municipal population of at least 6,500.
 - (4) Municipalities located in Oxford, Franklin, Washington, Aroostook, Piscataquis, Waldo, Hancock, and Somerset counties with a municipal population of at least 1,200.
- 2. Requirements for participating municipalities.** To participate in the Stewardship Program for Packaging—
- a. If a municipality did not participate during the previous calendar year, it must notify the S.O. of its intent to participate, in writing, prior to March 31 of the year for which it seeks reimbursement. [The municipality is not eligible for reimbursement for activities prior to the date of notification,](#)
 - b. A municipality must provide for the collection and recycling of all packaging material types that have been on the readily recyclable list for at least 3 consecutive years,
 - c. A municipality and its contractors must report to the S.O., as required by SECTION CALCULATION OF THE PER TON COST BY DISPOSAL STREAM OR COMMODITY, SECTION FIGURING TONS MANAGED, and SECTION DEFINING REIMBURSABLE COSTS; and
 - d. A municipality and its contractors must participate in consultations and audits as required by SECTION CALCULATION OF THE PER TON COST BY DISPOSAL STREAM OR COMMODITY, SECTION FIGURING TONS MANAGED, and SECTION DEFINING REIMBURSABLE COSTS.
- 3. Defining municipal reimbursement.** A participating municipality must be reimbursed for the cost of managing packaging material that is recycled and for the cost of managing packaging material that is not readily recyclable. The reimbursable cost of managing each packaging material type and the tons recycled by a participating municipality shall be

determined according to SECTION CALCULATION OF THE PER TON COST BY DISPOSAL STREAM OR COMMODITY and SECTION FIGURING TONS MANAGED.

- A. For packaging material types that are readily recyclable, a participating municipality shall be reimbursed for each ton managed for recycling at the median per ton cost realized by similar municipalities during the previous calendar year.
- B. For packaging material types that are not readily recyclable, a participating municipality shall be reimbursed for its ~~per capita share at the~~ median per ton cost realized by similar municipalities for the management of ~~disposal streams~~alternative management streams during the previous calendar year. ~~A municipality's per capita share is determined by dividing the statewide total tons of packaging material that are not readily recyclable (as reported sent into Maine by producers) by the state's population and then multiplying by the municipal population.~~
- C. For packaging material types that are not readily recyclable and are managed for recycling, reimbursement will be limited to the median per ton cost realized by similar municipalities for managing the readily recyclable packaging material type with the highest management cost during the previous calendar year.
 - (1) If the median per ton cost to similar municipalities of managing a packaging material type that is not readily recyclable is not more than the median per ton cost realized by similar municipalities for managing the readily recyclable packaging material type with the highest management cost, then the participating municipality will be reimbursed per ton managed for recycling at the median per ton cost of managing the packaging material type that is not readily recyclable, as realized by similar municipalities.
 - (2) If the median per ton cost to similar municipalities of managing the packaging material type that is not readily recyclable is more than the cost realized by similar municipalities to manage the readily recyclable packaging material type with the highest management cost, the participating municipality will be reimbursed per ton managed for recycling at the median per ton cost to recycle the readily recyclable packaging material type with the highest management cost, as realized by similar municipalities.

4. Determining municipal reimbursement.

- A. Obtaining information. The S.O. must determine the per ton cost of managing each packaging material type for recycling, the total tons of each packaging material type

managed for recycling by each participating municipality, and the per ton cost of managing packaging material for disposal. The S.O. will obtain this information through annual reporting from reporting entities, consultations with participating municipalities, and representative audits.

- (1) Consultations. The method for each of the following consultations is defined in the proposal provided by the S.O. in accordance with 38 MRS 2146 section 3 and approved by the Department.
 - a. Complete consultation. During a complete consultation with a participating municipality, the S.O. must study operations to create a cost reporting plan that identifies the cost information reporting entities must report on an annual basis and obtain additional information required to determine the per ton costs. The S.O. must perform complete consultations for 20 participating municipalities on an annual basis unless there are fewer than 20 participating municipalities that need a complete consultation, in which case it must perform complete consultations for all participating municipalities that need one. A participating municipality needs a complete consultation if it has not had one or if its complete consultation is not current. A complete consultation is not current if it was nullified because of a significant change to operations, [as determined by the S.O.](#), or if it is 10 or more years old. The S.O. must choose participating municipalities it conducts complete consultations for based on the following criteria, which are listed in order of priority.
 - i. For each group of similar municipalities, the S.O. must conduct complete consultations for 5 participating municipalities that need complete consultations. If there are more than 5 participating municipalities that need a complete consultation in a group of similar municipalities, the S.O. must randomly choose 5 participating municipalities that need a complete consultation from the group of similar municipalities.
 - ii. The S.O. must conduct complete consultations for participating municipalities that have not had a complete consultation. If the number of participating municipalities that have not had a complete consultation is more than the number of consultations the S.O. has left to conduct, the S.O. must randomly choose participating municipalities that have not had complete consultations.

- iii. The S.O. must conduct complete consultations for participating municipalities that have had a complete consultation, but do not have a current complete consultation. If the number of participating municipalities that need a current complete consultation is greater than the number of consultations the S.O. has left to conduct, the S.O. must randomly choose participating municipalities that need a current complete consultation.

- b. Follow-up consultation. The S.O. will conduct a follow-up consultation to update information in a municipality's complete consultation when a reporting entity makes a relevant change to the management of a packaging stream, [unless the change has an insignificant or de minimis impact on the cost of management](#). Relevant changes to the management of packaging streams are:
 - changes to staffing levels or employee duties;
 - changes to collection, transportation, or processing procedures, including changes to sets of accepted materials;
 - new equipment, new uses of equipment, retirement of equipment; capital investment into existing equipment;
 - new structures, new uses of structures, retirement of structures; capital investment into existing structures;
 - changes to transportation routes; and
 - energy use changes affecting total metered energy.

Reporting entities that have had a complete consultation must notify the S.O. within 30 days of making a relevant change to the management of a packaging stream.

- i. If a relevant change affects the complete consultations of less than 20% of participating municipalities in a group of similar municipalities, the S.O. will immediately void the complete consultations for the affected participating municipalities and conduct a follow-up consultation to update the complete consultations for affected participating municipalities such that they remain without an updated cost reporting plan for no more than one reporting cycle.

- ii. If a relevant change affects the complete consultations of at least 20% of participating municipalities in a group of similar municipalities, the

reporting entity will report to the S.O. on operations prior to the relevant change in accordance with its existing cost reporting plan. The S.O. will conduct a follow-up consultation with the reporting entity to update the cost reporting plan, and the reporting entity will report on operations for the remainder of the reporting year in accordance with the updated cost reporting plan.

(2) Annual reporting. The information that reporting entities must provide is defined in SECTION DEFINING REIMBURSABLE COSTS, SECTION CALCULATING THE PER TON COST, and SECTION FIGURING TONS MANAGED. It must be reported annually by March 31 on a form provided and approved by the Department.

- a. Submitting an annual report before a complete consultation. A participating municipality that has not had a complete consultation will report information required to figure the tons it recycled as described in the SECTION FIGURING TONS MANAGED.

(3) Representative audits.

- a. Types:
 - i. To convert the tons of commodities recycled to the tons of packaging material types recycled, the S.O. must determine the percent by weight of each packaging material type present in each type of commodity recycled.
 - ii. To allocate costs associated with the management of a mixed packaging stream, the S.O. must determine the volume of the materials that will make up ~~a disposal~~ an alternative management stream or a commodity relative to the volume of all materials included in the mixed packaging stream's set of accepted materials.
 - iii. To allocate costs associated with the simultaneous management of more than one packaging stream, the S.O. must determine the volume of 1 ton of a given set of accepted materials.
 - iv. In cases where multiple mixed packaging streams with different sets of accepted materials contribute to a single commodity, the S.O. must determine the percent by weight of the materials that will make

up the disposal stream or the commodity relative to the weight of all materials included in each mixed packaging stream's set of accepted materials.

b. Requirements:

- i. Initial auditing and frequency. Auditing must be conducted as part of a complete consultation or a follow-up consultation with a participating municipality whenever there are not applicable results for a commodity or set of accepted materials managed by the participating municipality that were obtained during the last 5 years.
- ii. Sampling. Samples must be collected once between September 1 and May 31 and once between June 1 and August 31, but not during any week immediately following a Maine State Holiday. Seasonal results from a participating municipality must be averaged to obtain one audit result.
- iii. Accuracy. For each site and season, samples should be collected and analyzed until results estimate the value sought with 90% confidence, $\pm 3\%$.
- iv. Applicability. If audit results from the first two participating municipalities audited are not significantly different, they must be averaged and applied to all participating municipalities managing the commodity or set of accepted materials. If audit results from the first two participating municipalities audited are significantly different, the S.O. must audit a third participating municipality. If the results from the third participating municipality audited are not significantly different from at least one of the first two, the results that are not significantly different must be averaged and applied to all participating municipalities managing the commodity or set of accepted materials, unless there is an audit result that is more applicable in accordance with SECTION PROCESS. If audit results from the third participating municipality audited are significantly different from the first two, each audit result must be assumed to be site-specific and consultations for all participating municipalities managing that commodity or set of accepted materials must include a site-specific audit.

- c. Site-specific audits. When a participating municipality suspects audit results being used to characterize its material are not applicable to its current operations, it may request a site-specific audit.
 - i. Process. The request for a site-specific audit must be submitted to the Department, in writing, and must describe differences of processing equipment, sorting processes, or staffing levels relative to the facility where representative auditing was conducted and explain how these differences affect the parameter measured. Alternatively, the request may reference an audit result from the facility in question that are significantly different from the results being used to characterize its material currently. If the Department determines the participating municipality has different processing equipment, sorting processes, or staffing levels that could affect the parameters estimated by representative auditing, or the alternative audit results referenced in the participating municipality's request are applicable and unbiased, the S.O. must perform a site-specific audit for the participating municipality within one year of approval of the request. If the S.O.'s auditing schedule does not allow for the completion of a site-specific audit within one year, the Department may delay approval of the request for up to one calendar year.
 - ii. Applicability. Site-specific audit results must be used for any participating municipality using the facility at which they were obtained and are considered the most applicable audit results for any facility sharing the same distinctions described in the approved request.

- B. Defining reimbursable costs by packaging stream. The reimbursable costs are the percentages of each of the cost centers below used in the management of a packaging stream.
 - (1) Labor cost. The reimbursable labor cost for an employee is the product of the percent of the employee's time spent managing a packaging stream and the total compensation paid to the employee. The labor cost is the sum of the reimbursable labor costs for each employee.

Labor cost = percent time * total compensation paid, for all employees

- (a) The percent time is the time an employee spends managing a packaging stream divided by the total time worked. It may include administrative tasks, collecting, sorting, baling, transporting, and other activities employed in the management of a packaging stream. It must be estimated and documented by the S.O. during a consultation and account for seasonal variation.
 - (b) The total compensation paid is all compensation provided to an employee, including benefits. The reporting entity must report total compensation paid annually.
- (2) Equipment cost. The reimbursable cost for a piece of equipment is the product of the percent of its use allocated to a packaging stream and its associated costs. Associated costs are maintenance and capital investment. The equipment cost for a packaging stream is the sum of the reimbursable costs for each piece of equipment used.

Equipment cost = percent use * (maintenance + capital investment), for all equipment

- (a) Estimating the percent use for a piece of equipment.
 - i. For off-road equipment, such as balers, forklifts, skid steers, compactors, etc., the percent use on a packaging stream is the time a piece of equipment is used to manage a packaging stream divided by the total time a piece of equipment is used. It must be estimated and documented by the S.O. during a consultation and account for seasonal variation.
 - ii. For on-road vehicles, the percent use is the miles traveled during the management of a packaging stream divided by the total vehicle miles traveled. The miles traveled during the management of a packaging stream is the miles traveled on a route multiplied by the number of trips, for all routes traveled. During a consultation, the S.O. must document the routes used to manage each packaging stream and the number of miles per route. The reporting entity must report annually the number of trips for each route traveled and the total miles the vehicle traveled.
- (b) The maintenance cost is the amount spent on parts, labor, and supplies to service or operate a piece of equipment. Maintenance cost does not include capital investment into a piece of equipment that changes its expected lifespan. When a reporting entity's staff performs maintenance, the cost must

be figured as the hours spent maintaining a piece of equipment divided by the total annual hours worked multiplied by the total compensation paid. The maintenance cost must be reported annually by the reporting entity. [Labor costs in this subsection, shall not include costs from subsection 4.B.\(1\)](#)

- (c) The capital investment cost is money spent to obtain a piece of equipment or to increase its expected lifespan. It is accounted for through either debt paid, depreciation, or lease payments.
- i. In cases where loans are used to obtain equipment or increase its expected lifespan, the capital investment cost is the sum of the interest [not to exceed 5 percent annually](#), and principal paid on a loan obtained. It must be reported annually to the S.O. by the reporting entity.
 - ii. In cases where equipment is obtained, or its life expectancy increased, without the use of a loan, the capital investment cost is the price paid divided by the expected lifespan of the equipment or by the expected extension in lifespan, as applicable. During a consultation, the S.O. must document both the annual depreciation and the year depreciation ends, which is the purchase year plus the expected lifespan.
 - iii. In cases where equipment is not owned but rather is borrowed or leased, the capital investment cost is the amount paid to borrow or lease. It must be reported annually to the S.O. by the reporting entity.
- (3) Structure cost. The reimbursable cost for a structure is the product of the percent of its use allocated to a packaging stream and its associated costs. Associated costs are maintenance and capital investment. Examples of structures include containers, warehouses, buildings, trailers, roll-off containers, etc. The structure cost for a packaging stream is the sum of the reimbursable costs for each structure used.

Structure cost = percent use * (maintenance + capital investment), for all structures

- (a) The percent use is the amount of floor space used in the management of a packaging stream divided by the total amount of floor space in a structure. It must be estimated and documented by the S.O. during a consultation and accounts for seasonal variation.

- (b) The maintenance cost is the amount spent in parts, labor, and supplies to service a structure. Maintenance cost does not include capital investment into a structure that changes its expected lifespan. When the reporting entity's staff performs maintenance, it must be figured as the hours spent maintaining a structure divided by the total annual hours worked multiplied by the total compensation paid. Maintenance cost must be reported annually by the reporting entity. [Labor costs in this subsection, shall not include costs from subsection 4.B.\(1\)](#)
- (a) [\(c\)](#) The capital investment cost is money spent to obtain a [piece-of equipment-structure](#) or to increase its expected lifespan. It is accounted for through either debt paid, depreciation, or lease payments.
- i. In cases where loans are used to obtain [equipment-a structure](#) or increase its expected lifespan, the capital investment cost is the sum of the interest, [not to exceed 5 percent annually](#), and principal paid on a loan obtained. It must be reported annually to the S.O. by the reporting entity.
 - ii. In cases where [equipment-a structure](#) is obtained, or its life expectancy increased, without the use of a loan, the capital investment cost is the price paid divided by the expected lifespan of the [equipment-structure](#) or by the expected extension in lifespan, as applicable. During a consultation, the S.O. must document both the annual depreciation and the year depreciation ends, which is the purchase year plus the expected lifespan.
 - iii. In cases where [equipment-a structure](#) is not owned but rather is borrowed or leased, the capital investment cost is the amount paid to borrow or lease. It must be reported annually to the S.O. by the reporting entity.
- (4) Energy cost. The reimbursable energy cost is the cost of energy that supplies equipment and structures during the management of a packaging stream. It must be figured for each structure and piece of equipment as the product of the percentage of a metered energy bill used by the equipment or structure, the total metered energy, the average cost per unit of metered energy, and the percent of the equipment or structure's use that is allocated to managing a packaging stream. The energy cost for a packaging stream is the sum of the reimbursable energy costs for all equipment and structures.

Energy cost = percent metered energy used * total metered energy * average cost/unit of metered energy * percent use, for all equipment and structures

- (a) The total metered energy is the amount of energy provided on a given invoice, meter, or tank used to supply equipment or structures. It must be reported annually to the S.O. by the reporting entity.
- (b) The percent metered energy used is the percentage of total metered energy that supplies a given piece of equipment or structure. It must be estimated and documented by the S.O. during a consultation and account for seasonal variation.
- (c) The percent use on a packaging stream is the amount of a piece of equipment's or structure's use that is allocated to a packaging stream.
- (d) The average cost per unit of metered energy is the total cost of metered energy divided by the total metered energy. It must be reported annually to the S.O. by the reporting entity.
- (5) Profit and overhead paid. The reimbursable profit and overhead paid is the difference between the amount paid to a contractor and the sum of the reimbursable costs realized by that contractor. It is calculated only when a contract is for the management of more than one packaging stream and does not include additional services, such as the management of waste streams that do not contain packaging material.

C. Calculation of the per ton cost by a ~~disposal~~ alternative management stream or commodity. The reimbursable cost to a reporting entity for managing a packaging stream is the sum of the associated labor cost, energy cost, equipment cost, structure cost, and profit and overhead paid. These costs are assigned to a disposal stream or a commodity in accordance with this section. Where there is revenue from the ~~disposal of a disposal~~ an alternative management stream or the recycling of a commodity, it is subtracted from the cost of the ~~disposal~~ alternative management stream or commodity.

~~Disposal~~ Alternative management stream or commodity cost/ton = specific cost/ton + nonspecific cost/ton + shared transportation cost/ton + contractor cost/ton + profit and overhead paid/ton – revenue/ton

- (1) The specific cost per ton is the sum of the labor, equipment, structure, and energy costs realized by a reporting entity that are associated with a specific ~~disposal~~ alternative management stream or commodity divided by the tons

managed. The costs realized by contractors, the costs associated with the simultaneous management of more than one packaging stream, and the costs associated with a mixed packaging stream are not accounted for in the specific cost per ton.

Specific cost/ton = (labor cost + equipment cost + structure cost + energy cost) / tons managed, where

- (a) The labor, equipment, structure, and energy costs are figured according to SECTION REIMBURSEABLE COSTS. The percent time and the percent use are measured with respect to management activities that are specific to a ~~disposal~~alternative management stream or a commodity.
 - (b) The tons managed are the tons of a commodity sent to a recycling market or the tons of a ~~disposal~~alternative management stream ~~disposed~~ as determined in SECTION FIGURING TONS MANAGED.
- (2) The nonspecific cost per ton is the sum of the labor, equipment, structure, and energy costs realized by a reporting entity that are associated with the management of a mixed packaging stream or associated with the simultaneous management of more than one packaging stream, as allocated to a ~~disposal~~alternative management stream or commodity. The costs specific to the management of a ~~disposal~~alternative management stream or commodity are not included in the nonspecific cost per ton, nor are shared transportation costs.

Nonspecific cost/ton = (labor cost + equipment cost + structure cost + energy cost) * percent allocation / tons managed, where

- (a) The labor, equipment, structure, and energy costs are figured according to SECTION REIMBURSABLE COSTS. The percent time and the percent use are measured with respect to the management of a mixed packaging stream or the simultaneous management of more than one packaging stream.
- (b) The percent allocation depends on whether a nonspecific cost is associated with the management of a mixed packaging stream or the simultaneous management of more than one packaging stream. The S.O. must use representative audits to determine the percent allocation, and the nonspecific costs must be allocated by relative volume in accordance with SECTION REPRESENTATIVE AUDITS.
 - a. In cases where the nonspecific cost is associated with a mixed packaging stream, the percent allocation is the volume of the materials

that make up a ~~disposal~~alternative management stream or a commodity divided by the volume of all materials in the packaging stream's set of accepted materials. The S.O. must determine the percent allocation in accordance with SECTION REPRESENTATIVE AUDITS ii.

Percent allocation = volume of a ~~disposal~~alternative management stream or commodity / volume of all material belonging to the set of accepted materials

- b. In cases where the nonspecific cost is associated with the simultaneous management of more than one packaging stream, the percent allocation to that stream is the volume of the materials that make up a packaging stream divided by the volume of the materials that make up all packaging streams managed utilizing the nonspecific management activity. When applicable, the percent allocation to a mixed packaging stream must then be allocated in accordance with SECTION NONSPECIFIC COST ASSOCIATED WITH A MIXED PACKAGING STREAM.
- (c) The tons managed are the tons of a commodity sent to a recycling market or the tons of a ~~disposal~~alternative management stream ~~disposed~~utilized as determined in SECTION FIGURING TONS MANAGED.
- (3) The shared transportation cost is the cost of transporting a mixed packaging stream or simultaneously transporting more than one packaging stream, as allocated to a ~~disposal~~alternative management stream or commodity. It must be figured for as many trips as necessary to completely allocate costs among the tons managed.

Shared transportation cost/ton = shared transportation cost * percent allocation / tons managed, where

- (a) Shared transportation cost is the labor, equipment, structure, and energy costs, figured according to SECTION REIMBURSABLE COSTS, with the percent time and the percent use measured with respect to shared transportation, or the cost of hiring a contractor to transport the load.
- (b) The percent allocation depends on the method of transport.
 - a. In cases where the shared transportation cost is associated with a mixed packaging stream, the percent allocation is the volume of the materials that will make up a ~~disposal~~alternative management stream or a commodity divided by the volume of all materials included in the

mixed packaging stream's set of accepted materials. The S.O. must use representative audits to determine the percent allocation.

Percent allocation = volume of an ~~disposal~~alternative management stream or commodity / volume of all material belonging to set of accepted materials

- b. When simultaneously transporting unbaled packaging streams, the percent allocation to each stream is the volume used to transport each packaging stream divided by the volume used to transport all packaging streams. The S.O. must document the percent allocation during a consultation. When applicable, the percent allocation to a mixed packaging stream must then be allocated in accordance with SECTION SHARED TRANSPORTATION OF A MIXED PACKAGING STREAM.
 - c. When simultaneously transporting more than one baled commodity, the percent allocation is the tons of each commodity sent divided by the tons of all commodities sent. Unbaled fiber sent to a recycling market can be considered baled for the purposes of allocating shared transportation costs. The reporting entity must report this percent allocation annually.
- (c) The tons managed are the tons of a commodity sent to a recycling market or the tons of an ~~disposal~~alternative management stream ~~disposed~~utilized as determined in SECTION FIGURING TONS MANAGED.
- (4) The contractor cost is the cost of contracted services to a reporting entity, as allocated to an ~~disposal~~alternative management stream or commodity. The contractor cost includes the amount paid or received by an entity that provided a packaging stream to a reporting entity.
- (a) When a contract is for the management of a single packaging stream, the contractor does not need to report to the S.O. The contracted cost per ton is the contracted cost divided by the tons of a commodity sent to a recycling market or the tons of an ~~disposal~~alternative management stream ~~disposed~~utilized. The contracted cost per ton must be reported annually to the S.O. by the reporting entity.
 - (b) When a contract includes additional services beyond the management of packaging streams, such as the management of a waste stream that does not include packaging material, the contractor is a reporting entity and the S.O.

must determine the ~~disposal~~alternative management stream or commodity cost per ton realized by the contractor. The contractor may report directly to the S.O.

- (c) When a contract is for the management of more than one packaging stream and does not include additional services, the contractor is a reporting entity and the S.O. must determine the ~~disposal~~alternative management stream or commodity cost per ton realized by the contractor. The contractor may report directly to the S.O. When a contract does not include additional services, the ~~disposal~~alternative management stream or commodity cost per ton includes the profit and overhead paid by the reporting entity.

Profit and overhead/ton = (contract cost – contractor cost) / tons managed under contract

- i. The contractor cost is the sum of the cost of managing all ~~disposal streams~~alternative management streams and commodities covered by the contract.
 - ii. The tons managed under contract is the sum of tons of a commodity sent to a recycling market and the tons of an ~~disposal~~alternative management stream ~~disposed~~utilized as determined in SECTION FIGURING TONS MANAGED for all commodities and ~~disposal streams~~alternative management streams managed under the contract.
- (5) The revenue per ton is the revenue received by a reporting entity from the sale of a commodity divided by the tons sent to a recycling market or, in cases where an ~~disposal~~alternative management stream has value, the revenue received from the sale of an ~~disposal~~alternative management stream divided by the total tons of an ~~disposal~~alternative management stream ~~disposed~~utilized by the entity. It does not include any fees paid for disposal in a landfill. The revenue per ton must be reported annually to the S.O. by the reporting entity.

D. Figuring the median. For each group of similar municipalities, the S.O. must determine the median cost of managing each packaging material type for recycling and the median cost of managing the disposal stream. Only costs from participating municipalities that have a current complete consultation may be used to determine the median cost.

- (1) For each participating municipality that has a current complete consultation, the S.O. must calculate the cost of managing each ~~disposal~~alternative management stream and the cost of managing each commodity.

- (2) For each participating municipality that has a current complete consultation, the S.O. must calculate the per ton cost of managing a packaging material type for recycling as the per ton cost of managing the commodity with which it was sold.
 - (3) In cases where a participating municipality with a current complete consultation produces more than one ~~disposal~~alternative management stream containing packaging material, the S.O. must determine the average cost of managing the ~~disposal~~alternative management streams. The S.O. determines the average cost by multiplying the cost per ton for each ~~disposal~~alternative management stream by the number of tons managed in that stream, summing those costs, and then dividing by the total tons ~~disposed~~utilized to determine the average cost per ton. This average cost per ton is the participating municipality's cost of managing its ~~disposal~~alternative management stream.
- E. Figuring the tons managed. A participating municipality must annually report the information necessary to determine the tons of each packaging material type recycled, and for municipalities that have a current complete consultation, the tons of each disposal stream disposed. After determining the tons of each commodity sent to a recycling market by each participating municipality, the S.O. must convert the tons of each commodity sent to a recycling market to the tons of each packaging material type sent to a recycling market in accordance with REPRESENTATIVE AUDITS TYPE i.
- (1) Determining the tons of a packaging stream sent by a participating municipality that managed a packaging stream with other entities.
 - i. When assigning tons among participating municipalities that jointly sent material, the tons are assigned assuming that each municipality's residents contributed equally on a per capita basis, unless the municipalities agree to a different split. Each participating municipality must annually report the tons sent jointly, along with a list of the municipalities with which it jointly sent material, and the method to be used for assigning the tons.
 - ii. When assigning tons to a participating municipality that sent material with non-municipal entities, the receiving entity must estimate the tons received from the participating municipality. The participating municipality must annually report the estimated tons sent and the method used to arrive at the estimate. During a complete consultation for a participating municipality that sends material with a non-municipal entity, the S.O. must review the estimation method and provide an

updated method in cases where accuracy can be improved without the use of additional equipment or changes to operations.

- (2) Determining the tons of a commodity sent to a recycling market or the tons of a ~~disposal~~alternative management stream ~~disposed~~utilized by a participating municipality.
- (a) In cases where a participating municipality sends a commodity or commodity stream to a recycling market, or ~~disposal~~alternative management stream to be ~~disposed~~utilized, the tons assigned to the participating municipality are equal to the tons sent.
- (b) In cases where a participating municipality contributes a mixed packaging stream to a receiving facility, the method for determining the tons of a commodity sent or the tons of ~~disposal~~alternative management stream ~~disposed~~utilized depends on whether all contributions to the commodity or ~~disposal~~alternative management stream consist of the same set of accepted materials.
- i. When all contributions consist of the same set of accepted materials, the tons sent by the receiving facility that are assigned to a participating municipality are proportional to the percent of the stream of accepted materials received that are contributed by the participating municipality. The participating municipality must annually report the total tons of the set of accepted materials received by the receiving facility, the tons it contributed, and the tons of the commodity sent to a recycling market or the tons of the ~~disposal~~alternative management stream sent for ~~disposal~~utilized by the receiving facility.
- ii. When not all contributions consist of the same set of accepted materials, the reporting entity must first determine the contribution of each set of accepted materials to the tons sent by the receiving facility and must then assign the tons of the ~~disposal~~alternative management stream or commodity that result from the set of accepted materials to a participating municipality. The contribution of each set of accepted materials to the tons sent by the receiving facility is figured as follows.
- a. The contribution of a commodity stream is the total weight of that stream.
- b. When a receiving facility receives multiple sets of accepted materials that are mixed packaging streams and that contribute to

a commodity or a ~~disposal~~alternative management stream, the percent of each set's contribution must be figured as follows.

1. The S.O. must determine the percent by weight of the materials intended for a ~~disposal~~alternative management stream or commodity in each set of accepted materials in accordance with SECTION REPRESENTATIVE AUDITING TYPE iv. If there is not a complete audit result, the participating municipality must obtain and report an estimate from the receiving facility.
 2. A participating municipality must obtain and report the total weight of each set of accepted materials received by a receiving facility. The S.O. must multiply the total weight of each set of accepted materials received by the percent figured in SECTION PERCENT BY WEIGHT OF MATERIALS INTENDED to determine the expected contribution of the set.
 3. The S.O. must divide the expected contribution from a set of accepted materials by the total expected contributions from all sets to determine the percent of the tons of a commodity or a ~~disposal~~alternative management stream sent that were contributed by the set.
 4. The participating municipality must obtain and report the total tons sent by the receiving facility. The S.O. must multiply the percent figured in SECTION EXPECTED CONTRIBUTION by the total tons of the commodity or ~~disposal~~alternative management stream sent by the receiving facility by to determine the tons sent that resulted from that set.
- (c) In cases where material that does not qualify as packaging material due ~~to its~~origin not being generated from a consumer, contributes to a commodity, a commodity stream, or a mixed packaging stream sent by a participating municipality, the participating municipality must develop a method of estimating the material that is not packaging material and deduct its weight from the tons sent to a receiving facility.
- i. A participating municipality must assume material received from the retail sector did not leave the point of sale with a consumer and does not qualify as packaging material unless a specific case is brought to the attention of the Department and determined to be an exception.

- ii. A participating municipality must assume material received from other sources is packaging material unless a specific case is brought to the attention of the Department and determined to be an exception.

For material that does not qualify as packaging material, the participating municipality must annually report the source, the estimated tons received, and the method used to obtain this estimate. During a complete consultation with a participating municipality that receives material that does not qualify as packaging material, the S.O. must review the estimation method and provide an updated method in cases where accuracy can be improved without the use of additional equipment or changes to operations.

- (3) Determining the tons of each packaging material type recycled by a participating municipality.
 - (a) The S.O. must use audit results from REPRESENTATIVE AUDITS TYPE i to determine the weight of each packaging material type present in 1 ton of a commodity.
 - (b) The S.O. must calculate the tons of each packaging material type recycled by each participating municipality by multiplying the tons of a commodity sent by the participating municipality by the weight of the packaging material type in 1 ton of the commodity.