

Multi-Stakeholder Review of Prescriptive Measures in the Beverage Container Regulation

Final Report

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Prepared for:

British Columbia Ministry of Environment (BCMOE)

By:



Background

In October 2011, the BC Ministry of Environment (MOE) commenced a process to review prescriptive measures supporting recycling program performance in the Recycling Regulation Schedule 1, the Beverage Container Product Category. In addition, BC MOE solicited input on amendment options to support performance improvement.

CM Consulting was hired to facilitate the review process, which included a one-day consultation workshop in Vancouver. The review process began with a series of preliminary telephone interviews with diverse stakeholders involved with or impacted by the beverage container management program. Based on these interviews, a draft agenda for the consultation workshop was developed. (Individuals interviewed are listed in the appendix 1.)

On November 23rd, more than seventy stakeholders attended an all-day consultation workshop held at the British Columbia Institute of Technology in downtown Vancouver. Participating stakeholders included beverage producers and distributors, retailers, associations, depot owners, members of the public, environmental groups and municipalities. (See appendices 2 and 3 for the workshop agenda and attendee list.)

As of the end of December, 17 written comments were submitted to the BC MOE. Summaries of stakeholder perspectives expressed in the preliminary interviews, during the consultation workshop, and in written form made-up the content of the interim report, which was posted on the RCBC web site for further comment on February 7, 2012.

Stakeholders were invited to submit additional comments until February 28, 2012. During this three week period 26 submissions with additional input were sent to the MOE. This second round of submissions is located at the end of the Appendix.

This final report provides a summary of the views and opinions expressed by stakeholders that are impacted by the existing deposit return program for beverage container reuse and recycling.

Table of Contents

Introduction to Schedule 1 – Beverage Container Product Category	6
Deposit Levels (Section 5)	7
Summary of Consultation Input	8
Table 1: Deposit Levels.....	10
Return to Retail (Section 6).....	18
Summary of Consultation Input.....	19
Table 2: Return to Retail	20
Container Design and End-of-Life Management Requirements (Sections 7 and 8)	27
Summary of Consultation Input	28
Table 3: Recycling.....	29
Table 4: Refill (Reuse).....	34
Other comments not directly related to provisions under review.....	36
Table 5: Other comments	37

Appendix

- Schedule 1 – Beverage Container Product Category
- List of Stakeholders Interviewed
- Consultation Agenda
- Workshop Evaluation
- List of Consultation Attendees
- Background Presentations at Workshop
- Stakeholder Presentations at Workshop
- **First Round of Written Submissions (As of Dec 30, 2011)**
 1. Aquaterra Corporation, Mengo McCall
 2. British Columbia Bottle Depot Association, Corrine Atwood
 3. Canadian Beverage Association, Jim Goetz
 4. Canadian Bottled Water Association, Elizabeth Griswold
 5. Carton Council of Canada, Elizabeth Comere
 6. Culligan Okanagan, Doug Osness
 7. Jim Cairns
 8. Encorp Pacific, Neil Hastie & Bill Chan
 9. Nestle Waters, John Zupo
 10. Pepsico, Neil Antymis
 11. City of Port Coquitlam, Andrew Wood
 12. Retail Council of Canada, Allen Langdon
 13. Sierra Club of Canada, George Heyman
 14. City of Vancouver, Monica Kosmak
 15. Blundell Return It, Azim Khimji
 16. Ucluelet Bottle Depot, Ann Kim
 17. Sue Maxwell
 18. Columbia Bottle Depot, Clare Cassan

- **Second Round of Written Submissions (As of Feb 28, 2012)**
 1. Alliance of Beverage Licensees, Raechelle Williams
 2. Brewers Distributors Limited, Brian Zeiler-Kligman
 3. Canadian Beverage Association, Jim Goetz
 4. Canadian Springs, Mengo McCall
 5. Capital Regional District, Wendy Dunn
 6. City of Vancouver, Monica Kosmak
 7. Langley Bottle Depot, Hanif Devji
 8. Encorp Pacific, Neil Hastie & Bill Chan
 9. Food and Consumer Products of Canada, Rachel Kagan
 10. Denman Island Waste Management Company, Robert French
 11. Galiano Island Recycling Resources, Nadia Krebs
 12. The Bottle Depot, Darcy Hipwell
 13. Juice Council of British Columbia, Rob Fletcher
 14. Blundell Return It, Azim Khimji
 15. Richmond Bottle Depot, Anil Kotadia
 16. Regional Recycling, Rod Lotzkar
 17. Nanaimo & Area Land Trust, Gail Adrienne
 18. Pender Island Recycling Society, Richard Philpot
 19. Recycling Council of British Columbia, Brock Langley
 20. Maria Roulleau
 21. Nanaimo Bottle Depot, Paul Shorting
 22. Sonny
 23. Helen Spiegelman
 24. Cowichan Valley Bottle Depot, Vince Spronken
 25. Ulounge, Lorelee Janssen
 26. Rick Weik

Introduction to Schedule 1 – Beverage Container Product Category

The province-wide beverage container deposit-refund program in British Columbia began in 1970 with the enactment of the *Litter Act*, which made BC the first jurisdiction in North America to establish a mandatory deposit-refund system for soft drink and beer containers for litter control purposes.

In 1997, the province enacted the *Beverage Container Stewardship Program Regulation* to replace the outdated Litter Act. The new regulation expanded the deposit-refund system to include all ready-to-serve beverages sold (such as bottled water, juice, sports drinks, wine, and spirits), excluding milk and milk substitutes.

In 2004, the *Recycling Regulation* (Reg BC 112/2010) consolidated all BC product stewardship regulations, including the Beverage Container Stewardship Program, into a single regulation. Most of the provisions of the original beverage container program are now contained in the Recycling Regulation under *Schedule 1, Beverage Container Product Category*. This regulation establishes a minimum goal of a 75% recovery rate and requires that redeemed containers be either refilled or recycled. All beverage containers carry a refundable deposit of 5, 10 or 20 cents based on size (more or less than one litre) and beverage type (alcohol versus non-alcohol).

Under the Recycling Regulation of 2004, product stewards (usually the product producer or brandowner, or an agency acting for them—are required to submit stewardship plans that describe the structure and operation of a system for collecting and recycling beverage containers that meets various criteria, including reasonable and free consumer access to collection facilities.

Currently, two stewardship agencies operate the program on behalf of beverage manufacturers. These are Encorp Pacific (Canada) who represents brand owners of non-alcoholic beverages and wine, spirits, ciders, coolers and beer that are not sold in refillable bottles or cans; and Brewers Distributors Limited (BDL), who represent brand owners of alcoholic beverages that are sold in refillable bottles or cans. Encorp Pacific is a not for profit corporation and carries on its operations without monetary gain to its members.

Deposit Levels

Section 5 of Schedule 1 requires that a seller must collect from the purchaser, at the time of sale of a beverage in a container, a deposit in an amount not less than 5, 10 and 20-cents. Specifically:

5 (1) A seller must collect from the purchaser, at the time of sale of a beverage in a container, a deposit in an amount not less than the amount in Column 2 of Table 1, set out opposite the container size and beverage type in Column 1.

Column 1 Container Size and Beverage Type	Column 2 Minimum Amount of Deposit or Refund
one litre or less for non-alcoholic beverages	5¢
one litre or less for alcoholic beverages	10¢
more than one litre for any beverage	20¢

(2) The deposit required by subsection (1) must be shown on the purchaser's receipt if a receipt is given.

(3) The deposit amount set out in Table 1 is an amount that includes any applicable taxes imposed under Part IX of the *Excise Tax Act* (Canada).

(4) This section does not apply to a seller if

(a) the seller sells a beverage in a container for consumption on the premises of the seller and the beverage is consumed on those premises, or

(b) the seller is a manufacturer or manufacturer's agent who sells a beverage in a container to the Liquor Distribution Branch and the Liquor Distribution Branch has elected under section 2 (2) to be the producer for that container.

The question for review is whether these minimum deposit levels should be amended in an effort to improve the program performance.

Summary of Consultation Input

Deposit Levels

Options for regulatory amendment, as well as no change to the existing provision were suggested by stakeholders. These are:

- Maintain existing deposit levels (no change);
- Increase deposit levels so that they are consistent with Alberta's deposit levels (10 and 25 cents);
- Increase the deposit on small containers (currently 5 cents) to 10 cents, and decrease the deposit on large containers (currently 20 cents) to 10 cents, for a single (one-tier) deposit on all containers in the program.

Stakeholders in favour of maintaining the existing deposit rates primarily represent non-alcoholic beverage producers, retailers, and packaging suppliers like the Carton Council of Canada.

A number of these industry stakeholders say that an increase in the deposit rate will not necessarily increase the recovery rate and that public education and awareness can be as effective at increasing recycling at lower cost to consumers. An example of an educationally focused approach cited, is Alberta's threefold increase in investment in promotion and education, which may have contributed to Alberta's collection rate increase.

Some beverage industry stakeholders feel that a deposit rate increase may have a disproportionately negative effect on sales and/or purchasers of multi-unit drink packages. With discounted per-unit volume pricing, the non-discounted deposit represents a proportionately larger part of the total product cost, before redemption.

Some beverage industry and retail stakeholders note that the current BC system is already surpassing the 75% target in the regulation. Several argue that raising deposits would only capture a comparatively small additional fraction of containers relative to the higher cost to the customer at the point of purchase, with an estimated \$49 million increase in deposits paid out annually (before redemption) if deposits are increased by 5-cents. These stakeholders suggest that there are more cost-effective ways to increase recovery using focused strategies to target unredeemed containers.

Stakeholders in favour of increasing deposit rates primarily represent depots, municipalities, the street community, environmental advocacy organizations and the members of the public interested in this issue.

Most in this group suggest that increasing the deposit rate minimum will increase recovery rates, especially for containers consumed on the go. They note that current deposit rates have not kept pace with inflation and that the incentive is not great enough to drive improvement in recovery rates.

Those in favour of an increase in the minimum deposit levels recommend either adopting the same rates as Alberta (10 and 25 cents), or adopting a one-tier rate of 10 cents on all containers.

Proponents of a one-tier deposit of at least 10 cents cite the simplicity and convenience of a single rate and advantages in terms of greater efficiencies (such as reduced container sorting time for customers and/or depots) and reduced fraud.

**TABLE 1: Stakeholder Comments
Deposit Levels**

Name / Organization	Stakeholder	Summary of Comments
Alliance of Beverage Licensees of BC (ABLE), Raechelle Williams	Retail Association	<ul style="list-style-type: none"> • Support maintaining the existing deposit levels. • Believe that increasing recycling rates can be achieved by public education and awareness. • There are more cost effective approaches to increasing recycling rates than raising deposit levels at an estimated \$49 million to the consumer (if deposits were increased by \$0.05)
Ann Johnston	Public	<ul style="list-style-type: none"> • We need to follow Alberta’s leadership and raise our deposit levels and internalize recycling costs. • Achieving [continuous improvement] requires a higher incentive if consumers are to dispose of their discards in a responsible way.
Beverage Alcohol Container Management Council, John Nixon	Beverage Association	<ul style="list-style-type: none"> • One-tier deposit makes sense for all beverage alcohol containers regardless of size and, given the very high recovery rates, 10 cents is appropriate. • If changes are to be made, they should not be announced with too much time between announcement and implementation because it would encourage hoarding. • No comment on deposit rates for non-alcoholic containers.
Blundell Return It, Azim Khimji	Depot	<ul style="list-style-type: none"> • Deposits should be increased. In these days of higher prices the level of deposit on returned bottles has been the same for many years to the point that consumers feel it's not worth their time or effort to go and return bottles.
Brewers Distributors Ltd., Brian Cox	Beverage Association	<ul style="list-style-type: none"> • Supports an increase to the minimum threshold. • Current deposit levels for containers in BC are causing confusion for consumers. Other jurisdictions, such as Alberta, show that a uniform minimum deposit level of \$0.10 leads to improved performance, including for beverages consumed away from home.
British Columbia Bottle Depot Association, Corinne Atwood	Depot Association	<ul style="list-style-type: none"> • Deposit levels in BC should be raised to 10 cents and 25 cents to harmonize with Alberta. • Deposit system rewards those who choose to recycle. The deposit system provides thousands of jobs in collection transportation and processing. • The increases in deposits paid out by consumers (if deposit levels are increased) is not a cost to consumers that participate in the program, and should not be categorized as such, because deposits are refundable. • The CRFs are actual consumer costs, which amounted to 55 million in 2010 alone. These costs are un-restricted and continue to increase year-over-year.

		<ul style="list-style-type: none"> • Encorp claims that increasing the deposit rates will not have a significant impact on recovery rates. If the deposit rates are increased and recovery rates stay the same or are marginally higher this should mean that Encorp will have significantly more revenue through unredeemed deposits to finance the program, which should lead to a reduction in the non refundable container recycling fees paid by consumers at the time of purchase in addition to the required deposit.
Canada's National Brewers, Brian Zeiler-Kligman	Beverage Association	<ul style="list-style-type: none"> • The minimum deposit level in BC should be increased to \$0.10. • Regulation should maintain the minimum threshold with brand owners' freedom to change the deposit upwards, if it serves their commercial interest. This is especially true when minimum refund value is deflated from inflation, and may not work well as an economic instrument to incentivize recovery.
Canadian Beverage Association, Jim Goetz	Beverage Association	<ul style="list-style-type: none"> • An increase in the deposit rate is not warranted based on the steadily increasing return rate in British Columbia. The beverage sector can best continue to increase return rates through effective communications, public awareness and programs that specifically target areas where beverage container return rates can be optimized (i.e. away from home). • In terms of a one-tier deposit (10-cents), such a move would result in only a modest improvement for consumers on the front end and much of those improvements may have to be undone by the depots or Encorp Pacific on the back end for sorting, verification and accounting purposes. • Determining whether reducing sorts from 19 categories to 12 categories of containers (from a one-tier deposit) will actually yield significant improvement in consumer efficiency (and if so by how much) requires time and motion studies, as containers will still have to be sorted. • It is unclear whether moving from 19 to 12 categories for the consumer will actually yield improvements at depot. • Increasing the deposit on small containers would require Encorp Pacific to increase its cash float by more than \$10 million. This will result in an immediate cost to the system. • In addition, increasing deposit rates would create an immediate liability of up to \$6 million for the beverage sectors for the refunds of containers in transit. • Encorp Pacific would have to implement additional internal controls and fraud prevention as smaller containers (which make up a significant portion of the volume) would become more valuable. This will add additional cost to the system.

Canadian Bottled Water Association, Elizabeth Griswold	Beverage Industry	<ul style="list-style-type: none"> The current deposit-refund level is working. Given the current state of the province's economy, it would be unwise to increase deposit-refund levels to capture the remainder.
Capital Regional District (CRD), Wendy Dunn	Regional District/Municipality	<ul style="list-style-type: none"> Adjustments to deposit levels are vital to increasing recovery systems. There are many benefits to simplifying the deposit rates to a one or two-tier system, such as a reduction in sorting required and less confusion for the public.
Carton Council of Canada, Elizabeth Comere	Packaging Industry Association	<ul style="list-style-type: none"> Do not support an increase in deposit levels. Increasing deposit levels would have a detrimental impact on the sale of small, lower cost beverage products. Supports a Ministry review involving an assessment of the potential benefits and risks of a one-tier deposit level if this effort were coordinated with other provinces to promote a harmonized approach and ensure there is no extra financial burden on the consumer. Highlights the impact of deposits on multi-unit retail packages. The intended benefit of this packaging format to consumers is increased affordability and accessibility to those who need it most. In British Columbia, each unit attracts a deposit, regardless of whether the unit is sold individually or in a multi-pack. This requirement should be reconsidered. The deposit on multi-unit packs represents a higher proportion of the total price than larger individual beverage with a similar volume, and is unfair to consumers buying multi-unit packs to stretch their dollar further and improve convenience.
City of Vancouver , Monica Kosmak	Regional District/Municipality	<ul style="list-style-type: none"> Strongly supports deposits. Deposits provide an economic incentive to recycle. Continuous improvement provision suggests that there may need to be an increase to keep the recovery rate moving upward. There is a statistically significant correlation between higher deposit levels and higher return rates in other jurisdictions. Since the recovery rates for some containers have plateaued, there is merit in considering an increase in deposit levels. The recovery rates achieved by the deposit-refund programs are critical for achieving our 2020 zero waste target. It is appropriate that the total value of deposits on multi-unit drink packs would be proportionally greater than on large volume containers, since multi-unit drink packs have a higher packaging-to-product ratio. Ideally the higher cost of deposits on multi-unit packs would encourage consumers

Columbia Bottle Depot, Clare Cassan	Depot	<ul style="list-style-type: none"> • Deposits are the incentive for the consumer to do the right thing and recycle. • Five cents isn't enough. We should mirror the Alberta rates.
Cowichan Valley Bottle Depot, Vince Spronken	Depot	<ul style="list-style-type: none"> • Raise the minimum deposit levels to a ten cent level for all containers one litre and smaller, and maintain 20-cent deposit for containers over one litre.
Denman Island Waste Management, Robert French	Depot	<ul style="list-style-type: none"> • In favour of one-tier deposit for all containers. • One deposit would enhance convenience and efficiency for depot customers and depot operators alike.
Dennis Kinsey	Consultant	<ul style="list-style-type: none"> • Supports a one-tier deposit level
Encorp Pacific, Neil Hastie & Bill Chan	Industry Stewardship Organization	<ul style="list-style-type: none"> • Since Encorp has shown continuous improving its recovery rate over the ten year period (2001-2011) it is our view that the current deposit level for beverage containers strikes the right balance between achieving optimum environmental outcomes while avoiding negative consumer, brandowner, and system impacts . • Increasing the deposit level would require Encorp to increase its cash float requirement by an excess of \$10 million resulting in additional costs to the system; plus an immediate \$6 million dollar liability which would have to be absorbed by the beverage sector due to a potential deposit increase to refund for containers in transit as of the change date. • Increasing the deposit level will require additional internal control and fraud protection as these containers become more valuable leading to an increase in depot break-ins and theft. This also includes fraud prevention at the consumer level as a result of attracting more containers from the US that are then redeemed in BC.
Federation of Independent Grocers, Gary Sands	Retail Association	<ul style="list-style-type: none"> • Deposit levels should not be changed.
Food and Consumer Products of Canada (FCPC), Rachel Kagan	Beverage Association	<ul style="list-style-type: none"> • FCPC supports maintaining the current deposit levels. The performance of BC's beverage container recovery program, operated by Encorp Pacific, is continuously improving year over year. The program had an 80.4% recovery rate in 2010, up from 72.4% recovery rate in 2006. • Deposit levels are not the only factor that contributes to a successful recovery program. FCPC and its members believe that consumer education and awareness is a critical component for all stewardship programs.
Galiano Island Recycling	Not-for-Profit	<ul style="list-style-type: none"> • Strongly support the deposit system and agree that deposit amounts should be increased to a minimum of 10 cents and 25

Resources (GIRR), Nadia Krebs		cents. <ul style="list-style-type: none"> An increase will create a greater awareness of the need to recycle and be an added incentive to return containers.
Helen Spiegelman	Public	<ul style="list-style-type: none"> Increase the deposit on small containers and decrease the deposit on large containers, for a one-tier deposit on all containers.
Jim Cairns	Public	<ul style="list-style-type: none"> The proven incentive of D/R results make this option mandatory at this juncture in our evolution to a more sustainable society. The impact of increased levels should encourage and motivate consumers to return it to redeem their deposit.
Juice Council of British Columbia, Dan Wong & Rob Fletcher	Beverage Association	<ul style="list-style-type: none"> Do not change (raise) deposit levels. Present levels are already surpassing targets – The marginal benefit in recovery rates, if any, does not justify the incremental cost to BC consumers. Need to assess what are the incremental performance improvements related to cost increases. Detailed analysis suggests that targeting hard-to-reach segments such as multi-family residences and public spaces is more likely to generate meaningful increases in recovery than raising deposit rates. An increased deposit will impose a financial burden upon BC consumers, which in turn will negatively affect sales, especially on small multi-packs. These products are positioned for price-sensitive shoppers and are especially popular with families. The existing two-level deposit provides some ability to scale the deposit in relation to the product's selling price – an important instrument for incentivizing recovery without pricing products beyond consumers' ability to pay.
Langley Bottle Depot, Hanif Devji	Depot	<ul style="list-style-type: none"> The current deposit level of non alcoholic beverage containers should take an increase of 5-cents.
Liquor Distribution Branch, Gord Hall	Retail	<ul style="list-style-type: none"> Deposit levels on alcoholic beverages should not be changed.
Marie Roulleau	Public	<ul style="list-style-type: none"> Increase 5-cent deposit. Larger container should have a large deposit.
Metro Vancouver, Andrew Doi	Municipality	<ul style="list-style-type: none"> Metro Vancouver's board believes that increasing deposits may help improve return rates. This is especially important for containers consumed on the go.
MGM, Mark McKenny	Consultant	<ul style="list-style-type: none"> Deposit increase would mean \$49 million out of consumers' pockets.
Naniamo Bottle Depot, Paul Shorting	Depot	<ul style="list-style-type: none"> A one-tier deposit is beneficial to all parties involved in the recycling industry. Changing the deposits to a higher level (10cents) will increase the interest and incentive to recycle more containers and eliminating

		<p>the number one complaint within our industry from our valued customers (frustration of wasting valuable time and trying to figure out what containers get sorted together).</p> <ul style="list-style-type: none"> Implementing the one level deposit would allow depots to move customers through their facilities in a more timely fashion, enhancing the customer experience and furthermore, enabling the depots for introducing technology of sorting containers.
Nestle Waters, John Challinor & John Zupo	Beverage Company	<ul style="list-style-type: none"> Deposit levels should not be changed. Small difference in recovery rates between AB and BC despite gap in deposit value. It would be damaging to Nestle Waters to increase deposit-refund levels to capture our outstanding beverage containers. Deposit increase is unnecessary, given the rate would be increased to focus on capturing only an additional 10% at most.
Pender Island Recycling Society, Richard Philpot	Depot	<ul style="list-style-type: none"> Support a significant increase in deposit levels, with the belief that higher deposit rates will result in an increase in consumer redemption A one-tier deposit program would simplify the return system and encourage the purchase of larger containers over small, single serving sizes.
Pepsi Cola, Neil Antymis	Beverage Company	<ul style="list-style-type: none"> Pepsi Cola is opposed to any consideration of a deposit level increase. Consumers would spend approximately \$49 million more at time of purchase. Lower income families in BC will be impacted to a larger degree as the total cost at time of purchase will increase dramatically on some packages - particularly small container multi-packs.
Port Coquitlam, Andrew Wood	Regional District/Municipality	<ul style="list-style-type: none"> Deposit refund levels should be increased two-fold from the current fee structure based on the container size and beverage type.
Recycling Council of British Columbia, Brock MacDonald	Environmental Organization	<ul style="list-style-type: none"> A change should be made in the deposit amounts to reflect a uniform deposit level across the product category regardless of the size. RCBC endorses a single deposit amount for all beverage containers that is higher than the current lowest deposit rate.
Regional District of Bulkley-Nechako, Janine Dougall	Regional District/Municipality	<ul style="list-style-type: none"> Supports a one-tier deposit level. Supports an increase but cautions that the street community could be affected.
Regional Recycling, Rod Lotzkar	Depot	<ul style="list-style-type: none"> Our main recommendation to achieve the goal and objectives is to streamline the deposit system to a single tier 10¢ deposit. The current 3 tier system requires extensive handling and sorting by the consumer. Return-It requires 20 sorts for 5 material categories. Beer, 2 sorts. This takes too much time and

		<p>space/parking from additional traffic and other stewardship programs. For a few, this is a barrier to recycle as it is “not worth the hassle” or “takes too much time”.</p> <ul style="list-style-type: none"> Changing to a single tier deposit would allow the use of existing automated counting technologies to further expedite the consumer experience. Less sorting would also be required in the back end of the operation as size limitations would no longer exist. better effort at recovery and a higher reward. Ultimately, the cost will be borne by those who don’t recycle.
Resort Municipality of Whistler, Michael Day	Regional District/Municipality	<ul style="list-style-type: none"> Deposits should be raised from 5 cents. 5 cents no longer means as much as it did. One-tier deposits would be easier for customers to understand and would enable depots to process customers much faster. This would likely increase participation.
Retail Council of Canada, Allan Langdon	Retail Association	<ul style="list-style-type: none"> RCC and our members could not support an increase in deposit levels at this time. The overall impact on consumers of raising the deposit from 5 cents to 10 cents is approximately \$49 million annually, which represents a significant amount of consumers’ discretionary income that can no longer be used for other purposes. Given the considerable cost to consumers, we think it would be prudent to examine other strategies that could be employed, such as targeted consumer awareness campaigns focused on key demographic groups.
Richmond Bottle Depot, Anil Kotadia	Depot	<ul style="list-style-type: none"> Increase deposit levels to 10-cents and 25-cents.
Rick Weik	Recycler/hauler	<ul style="list-style-type: none"> Increase deposits on all containers – 10-cents and 30-cents. Does not support a one-tier deposit of 10-cents. If one tier, it should be much higher (20-cents or 25-cents for example)
Sierra Club, George Heyman	Not-for-Profit	<ul style="list-style-type: none"> We strongly support take-back container deposits, and urge an increase in deposit levels to harmonize with Alberta and to keep pace with inflation.
Sonny	Public	<ul style="list-style-type: none"> One-tier deposit would make larger-volume collection easier from a customer sorting perspective.
Squamish Lillooet Regional District (SLRD), Brooke Carrere	Regional District/Municipality	<ul style="list-style-type: none"> Mayor of the Resort Municipality of Whistler (a member municipality in the SLRD) suggested increasing the deposit to a higher value to be more consistent with inflation.
Sue Maxwell	Public	<ul style="list-style-type: none"> Increase the deposit rate. The rates should match Alberta's at a minimum or ideally be higher.
The Bottle Depot, Darcy Hipwell	Depot	<ul style="list-style-type: none"> One flat rate deposit would allow for faster and easier service when the containers are returned. Would enable consumers and our staff to just count containers,

		<p>rather than sort them into container types when people come in to return their containers. Additional sorting would be done by the depot staff.</p> <ul style="list-style-type: none"> • Faster, more efficient service would encourage more consumers to return their containers. • The deposit level should be raised. A five cent deposit is no longer a sufficient incentive for people to return their containers. • Consumers who recycle beverage containers are fully refunded for the deposits they pay. • Deposit levels should be at a flat rate that is a minimum of ten cents per container, though we believe a rate of twenty or twenty five cents would provide a greater financial incentive and thus a higher recovery rate.
Ucluelet Bottle Depot, Ann Kim	Depot	<ul style="list-style-type: none"> • Suggests an increase of deposits from 5 to 10 cents for containers that are up to and including 1 litre, and 20 to 25 cents for containers over 1 litre.
United We Can , Ken Lyotier	Not-for-Profit	<ul style="list-style-type: none"> • Supports increase in deposit level but suggests that the increase be significant to have an effect on behaviour. • A one-tier deposit is preferred.
Willowbrook Recycling , Savannah Paine	Depot	<ul style="list-style-type: none"> • Convenience is king. Keep it simple. A one-tier deposit would increase participation and increase recovery rates. • 5 cents will mean nothing in 10 years.

Return to Retail

Section 6 of Schedule 1 requires that a retailer must accept containers for return and pay to the person returning the containers a cash refund in an amount not less than the minimum deposit value. In addition, no more than 24 containers per day can be returned to retailers not identified in the approved plan. These retailers may apply to the MOE for a reduction of the 24 containers per day requirement to 6 containers per day if they can prove adequate redemption depot facilities exist nearby. Specifically:

- 6 (1) A container redemption facility or, subject to subsection (2), a retailer whose premises are not identified in an approved plan, must accept containers for return and pay to the person returning the containers a cash refund in an amount
 - (a) not less than the amount set out in Table 1, or
 - (b) if the amount of deposit collected is greater than the amount in Column 2 for the container size and beverage type set out opposite in Column 1, not less than the deposit amount collected.
- (2) Subject to subsection (3), a person may return for refund to a retailer not more than 24 containers per day that are of the same beverage container subcategory and brand that the retailer sells.
- (3) If the director determines that there are adequate container redemption facilities and retailers in a regional district, a person may return for refund to a retailer not more than 6 containers per day that are of the same beverage container subcategory and brand that the retailer sells to consumers.
- (4) Subsections (2) and (3) do not apply to the return of containers to a retailer whose premises is identified as a container redemption facility in an approved plan.
- (5) A container redemption facility or retailer is not required to accept a container, or pay a cash refund for a container, if the container
 - (a) is contaminated, rusty or dirty,
 - (b) can be reasonably identified as a container that was purchased outside of British Columbia, or
 - (c) cannot be reasonably identified as a container to which this Schedule applies.

The question for review is whether the retail requirements require amendments in an effort to improve the program performance.

Summary of Consultation Input

Return to Retail (R2R)

Options for regulatory amendment, as well as no change to the existing provision were suggested by stakeholders. These are:

- Maintain the R2R provision as is (no change);
- Eliminate the R2R requirement for non-alcoholic beverage containers and implement a phased withdrawal from R2R in most areas of the province, with exemptions for areas in which depot availability is limited.

Members of the public, environmental organizations, domestic brewers, the refillable beverage industry, and municipalities consistently support maintaining the existing R2R mandate with no change. They say that the existing retail collection network works well and is convenient, especially for on-the-go recycling. They note that amending the provision to shift away from R2R would adversely impact returns from population segments with limited mobility or using alternative transportation (i.e. seniors, bike or motorcycle riders, walkers, public transportation users, etc.)

Stakeholders representing depots have varying views on the R2R requirement, but are generally united in their perspective that, at most, retailers should handle only a small proportion of container returns and the bulk of returns should be to depots.

Stakeholders representing retailers, grocers and beverage companies (excluding brewers) consistently support elimination or amendment of the R2R provision so that R2R becomes a voluntary program. They point to transportation inefficiencies that occur when only a small number of containers requires collection from a retail location (up to 10 times less volume per pick-up compared to depots), and find that these inefficiencies are increasing as the level of containers returning to retail continues to drop. They say a process of phasing out the R2R requirements should be supported by mechanisms like a public education campaign and mobile depots. They believe that there is adequate depot capacity for non-alcohol beverage container returns, with some exception areas that can be treated differently.

Retail stakeholders also cite problems with R2R including health and safety issues associated with post-consumer material contamination, high costs, space availability, and increased nuisance and loitering outside of the store from members of the street community redeeming containers.

**TABLE 2: Stakeholder Comments
Return to Retail (R2R)**

Name / Organization	Stakeholder	Summary of Comments
Alliance of Beverage Licensees of BC (ABLE), Raechelle Williams	Retail Association	<ul style="list-style-type: none"> • Support maintaining existing R2R provision in the regulation • Inequities in the treatment of LRS and Government Liquor Stores (GLS) in terms of remuneration for accepting wine, spirits and import beer containers must be addressed. • Encorp Pacific provides free collection of redeemed containers for LDB-owned GLS, yet LRS must either pay a depot to pick up the wine, spirits and import beer containers or deliver them directly to a depot. We further understand that the LDB charges container eco-fees to wine, spirit and imported beer consumers and transfers those fees to Encorp Pacific which, in turn, pays LDB's GLS for redeeming those containers yet the LDB does not pay the same handling fee to LRS. We expect that equality in remuneration would increase willingness of LRS support the program. • ABLE has been working with BDL to expand and improve the existing bottle return program for LRS. BDL has agreed to address issues which have precluded LRS from participating in the program and we believe these changes will also expand that existing program.
Ann Johnston	Public	<ul style="list-style-type: none"> • Do not get rid of R2R provision. • Convenience is a driver for return behaviour, especially for those that do not drive or for seniors and eliminating R2R would make life very difficult for those that want to return but are not close to a depot.
Aquaterra Corporation, Mengo McCall	Beverage Company	<ul style="list-style-type: none"> • R2R is important for refillables. Reverse logistics is only possible when the retailer is involved. Reverse Vending should be considered as stand alone options as well (e.g. Japan).
Beverage Alcohol Container Management Council, John Nixon	Beverage Association	<ul style="list-style-type: none"> • R2R should be voluntary - should be transitioning out of retail
Brewers Distributors Limited, Brian Cox	Beverage Association	<ul style="list-style-type: none"> • If the objective is that the change in the law will result in "no less effective program," then having a minimum return requirement is logical, along with a requirement to show coverage. • Existing footprint is effective, why undermine it? More benefit to the public and performance to keep it as is. • Regulation should maintain or enhance at the least cost to the consumer – if R2R is eliminated one group of consumers

		<p>who do not have access to depots, would be adversely affected (even a mere 10% of containers).</p> <ul style="list-style-type: none"> • Numerous and convenient return locations are key factors in attaining high recovery rates.
British Columbia Bottle Depot Association, Corinne Atwood	Depot Association	<ul style="list-style-type: none"> • The BCBDA does not support the complete exit of return to retail, but supports a return to retail system that includes further expansion to depots. • In regards to beer containers the BCBDA feels that there is some work to be done to expand the collection system so that more depots can provide full refund. • Perhaps the time has come for all manufacturers to accept the wishes of not only the depot and return to retail industry but the people of BC and develop the necessary changes to create a level playing field.
Canada's National Brewers, Brian Zeiler-Kligman	Beverage Association	<ul style="list-style-type: none"> • Return-to-retail provisions in Schedule 1 should be retained • Inequities in the treatment of retail liquor stores and Liquor Distribution Branch (LDB) stores in terms of remuneration for accepting wine and spirits containers need to be addressed. • BDL has always viewed return-to-retail as a cornerstone of their system and a driver of its industry-leading recovery rate. Return-to-retail is critical to improved performance.
Canadian Beverage Association	Beverage Industry Association	<ul style="list-style-type: none"> • Given the high return-to-depot vs. return-to-retail rate, the government should give consideration to making the R2R requirements voluntary in areas where there is adequate depot coverage.
Canadian Bottled Water Association	Beverage Association	<ul style="list-style-type: none"> • It is unnecessary to continue to require the retail sector to accept beverage containers, other than in those jurisdictions where there is no depot system in place. • Retailers should have the option of accepting beverage containers, other than those jurisdictions where there is no depot system in place.
Capital Regional District (CRD)	Regional District/ Municipality	<ul style="list-style-type: none"> • Considering that the depot system handles 90% of container returns and there are food and safety issues in some return to retail operations, we are supportive of a hybrid approach that allows for flexibility in the R2R provision. • This could be implemented in locations where reasonable access to local depots is available.
City of Vancouver, Monica Kosmak	Regional District/Municipality	<ul style="list-style-type: none"> • Strongly support the mandatory return-to-retail requirement. • In dense urban areas such as Vancouver, where the cost of land and neighbourhood opposition may be prohibitive to depots, return-to-retail is essential for providing a broad network of return locations. • Support for R2R, and at the same time, to target additional

		<p>market segments, we will engage stewards to consider innovative return methods such as mobile return units, reverse vending machines, direct collection from multi-family buildings and businesses, street recycling bins, etc.</p> <ul style="list-style-type: none"> • The City of Vancouver plans to make the majority of trips taken by 2020 taken by bike, transit or foot. This shortens the “convenient distance” for consumers, and will require neighbourhood scale collection systems. • In dense urban areas, return-to-retail is important for providing a broad network of return locations.
Columbia Bottle Depot, Clare Cassan	Depot	<ul style="list-style-type: none"> • Although the volume returned to retail has shrunk over the years, it is still the only alternative for many British Columbians (they don't drive, no depots available in many metro and rural areas).
Cowichan Valley Bottle Depot, Vince Spronken	Depot	<ul style="list-style-type: none"> • Make R2R voluntary except in large urban areas that are under-serviced.
Dennis Kinsey	Consultant	<ul style="list-style-type: none"> • Supports existing R2R provision.
Encorp Pacific, Neil Hastie & Bill Chan	Industry Stewardship Organization	<ul style="list-style-type: none"> • It is Encorp’s view that, in those areas where there is a well developed depot network in place, the election to accept containers for refund should be left to the retail grocer. • The cost for Encorp to pick up at the 360 retail stores is approximately 3 times higher than picking up at its 172 depots. Annual transportation cost for used beverage containers is \$12 million.
Federation of Independent Grocers, Gary Sands	Grocery Industry Association	<ul style="list-style-type: none"> • Members do not support R2R provision. Food safety and space are primary concerns for members.
Galiano Island Recycling Resources (GIRR), Nadia Krebs	Not-for-Profit	<ul style="list-style-type: none"> • Strongly support the continuity of R2R. • Removing it makes access to refund impossible in some cases.
Helen Spiegelman	Public	<ul style="list-style-type: none"> • Eliminate the R2R requirement for non-alcoholic beverage containers and implement a phased withdrawal from R2R in most areas of the province, with exemptions for areas in which depot availability is limited.
Jim Cairns	Public	<ul style="list-style-type: none"> • This (R2R) should not be discouraged as we evolve to a more sustainable society – Free choice for consumer to return to either retail or depot.
Juice Council of British Columbia, Dan Wong & Rob Fletcher	Beverage Industry	<ul style="list-style-type: none"> • Mandatory provision should be repealed. Give retailers the option to collect or not. This would provide both flexibility and rationality in the marketplace, improving depot throughput and allowing retailers to structure their operations in the way that makes the most sense for the market area.

		<ul style="list-style-type: none"> • Supports a voluntary approach. Existing regulation gives 'half a loaf' to depots and retailers. If you were to start all over, encouraging the collection of all containers through one system, as occurs in AB, would maximize efficiency.
Langley Bottle Depot, Hanif Devji	Depot	<ul style="list-style-type: none"> • Request that the retail store owners or grocery store owners should not accept any containers but instead direct them to any nearest bottle depot location.
Liquor Distribution Branch, Gord Hall	Retailer	<ul style="list-style-type: none"> • The Liquor Distribution Branch does not have a concern with the current 24 container return to retail limit, but does have a significant concern with the beer discounting issue which encourages people to return containers to retail stores rather than depots
Lisa Chou	Public	<ul style="list-style-type: none"> • Uses the depots as they are more convenient for her purposes. Would prefer if all containers were returnable at one location "one-stop returning"
Metro Vancouver, Andrew Doi	Municipality	<ul style="list-style-type: none"> • No consensus within local government on whether R2R needs to be mandatory.
Naniamo Bottle Depot, Paul Shorting	Depot	<ul style="list-style-type: none"> • Return to Retail allows for convenience to consumers who do not generate many containers ie: seniors, public transport users and eliminating this point of return could translate into lower return rates therefore, not benefiting the goal of trying to increase the recovery rate of the remaining 200 million containers that are currently being discarded. • Adjusting the regulation to reducing the returns to six containers per day should be implemented before any other changes are made.
Nestle Waters, John Challinor & John Zupo	Beverage industry	<ul style="list-style-type: none"> • Take-back requirements for retailers are difficult because it is a "dirty business." Cleanliness, health and safety should be considered. • It is unnecessary to continue to require the retail sector to accept beverage containers, other than those jurisdictions where there is no depot system in place. • Retailers should have the option.
North Shore Recycling Program, Al Lynch	Recycler/Hauler	<ul style="list-style-type: none"> • R2R provision should remain as is. 24 units per customer per day is fair.
Pepsi Cola, Neil Antymis	Beverage Company	<ul style="list-style-type: none"> • Retailers should be free to decide for themselves if they want to collect used beverage containers. • The vast majority of containers go to depots currently • Collection at retail is inefficient and collection costs are significantly higher versus collection from depots. • Health and safety risks will be reduced by removing post-consumer materials from grocery stores.
Port Coquitlam,	Regional	<ul style="list-style-type: none"> • Retail collection requirements should be increased to 48

Andrew Wood	District/Municipality	containers per day per person.
Recycling Council of British Columbia, Brock MacDonald	Not-for-Profit	<ul style="list-style-type: none"> • R2R provision should stay. Maximum of 24 is a good compromise but the street community is negatively impacted.
Regional District of Bulkley-Nechako, Janine Dougall	Regional District/Municipality	<ul style="list-style-type: none"> • Supports the R2R provision but feels 24 unit provision is difficult for community groups and drives the discounting problem. • BDL must review bulk return locations.
Regional Recycling, Rod Lotzkar	Depot	<ul style="list-style-type: none"> • We would support a review of this provision for non-alcoholic beverage containers if it is based on realistic set of objectives and a couple pilot programs to test it out. • It must allow the complete exit by retailers. 6 containers per day isn't very practical and would probably aggravate the consumer more than help. • Should gain a solid understanding of the impacts in time for the next review. • For Beer we can not support exiting return to retail at this time and would suggest that it be reviewed again in 5 years.
Resort Municipality of Whistler, Michael Day		<ul style="list-style-type: none"> • Support for R2R. Convenience is important. Would like to see more trips taken on foot, bike, or transit. • Must consider if a repeal of R2R provision would lead to an increase or decrease in recovery rate.
Retail Council of Canada, Allen Langdon	Retail Association	<ul style="list-style-type: none"> • RCC and its members do not support any legislated or regulatory requirements for used or leftover consumer products and packaging to be returned to retail. • The average number of containers per pick up at grocery stores is 2,400 containers compared to 23,700 for depot pick ups. As the level of containers returning to retail stores continues to drop, it becomes increasingly inefficient to have trucks picking up small amounts of containers from retail stores. • Eliminate the mandatory return-to-retail requirement for non-alcoholic containers under the Beverage Container Regulation. Implement a phased withdrawal from return-to-retail (perhaps by regional district) for non-alcoholic containers supported by a strong public education campaign. • There are some remote areas of the province where exemption from return-to-retail is not practical and continued support from retailers would be required. • There needs to be some research into alternative collection mechanisms, for example mobile collection depots. • RCC's grocery members incur a cost of approximately \$3 million each year as a result of return-to-retail. This is a hidden subsidy borne by grocers to support a system they are mandated to participate in, despite other available options.

Richmond Bottle Depot, Anil Kotadia	Depot	<ul style="list-style-type: none"> • Eliminate R2R provision • All containers should be returned through depots
Safeway, John Graham	Retailer	<ul style="list-style-type: none"> • Food safety is number one priority for his store. Taking garbage into the retail area is not compatible with the store's efforts to be clean and safe. • R2R could be voluntary but should not be mandatory
Sierra Club, George Heyman	Environmental Organization	<ul style="list-style-type: none"> • While convenience of return is a behaviour driver for a certain number of consumers, we believe that economic incentive is a much stronger driver for consumer participation.
Sue Maxwell	Public	<ul style="list-style-type: none"> • Mandate that retailers should be required to accept all beverage containers, not just the ones they sell as this is inefficient and frustrating for consumers. • Barriers should be removed to having consumers be able to easily return their container to the stores where they bought them. This will be particularly important when deposits are raised as this should drive an increase in consumers returning their own containers. • In addition, it helps to decrease the number of trips needed for consumers to do their errands which has time and GHG benefits. • It will also help to encourage refillables and consumer behaviours of bringing things to the retail stores (such as reusable bags). • Increase the return level to 5 dozen at a time for all retailers, not just ones in certain areas (i.e. remove the restriction regarding areas well-served with collection facilities).
The Bottle Depot, Darcy Hipwell	Depot	<ul style="list-style-type: none"> • R2R component is an important part of a successful return program and high recovery rates and should continue to be available. • Convenience to the consumer is paramount to a successful program and there are significantly greater numbers of return locations through retail. • R2R allows for a convenient return location for people with limited mobility (e.g. seniors) and people who walk, bike, or take public transit. • Retailers benefit from the sale of these containers, and should take some responsibility for the return of the containers. • Removing R2R would translate into lower return rates. • Current regulation allows for a reduction of return to 6 containers per person per day. This should be encouraged before any additional changes are made.
Ulounge, Lorelee Janssen	Retail	<ul style="list-style-type: none"> • Eliminate R2R provision. • Current R2R requirement is costly; and poses health and safety

		issues
United We Can, Ken Lyotier	Not-for-Profit	<ul style="list-style-type: none"> • Support for maintaining R2R in downtown Vancouver. • A voluntary approach may be preferable but there are several obstacles that need to be reviewed.
Willowbrooke Recycling, Savannah Paine	Depot	<ul style="list-style-type: none"> • Repealing the R2R provision may be beneficial to depot business but those that go to retail to return right now are doing so because it is more convenient • There is no guarantee that those the use retail for returns now will go to depots later. • The system may lose some recovery if R2R is dropped.

Container Design and End-of-Life Management Requirements

Section 7 of Schedule 1 contains container design requirements that all beverage containers be refillable or recyclable.

Section 8 mandates that redeemed beverage containers must be refilled or recycled and prohibits their disposal through landfilling or incineration.

Specifically, these sections are:

Section 7

- (1) A seller must offer for sale or sell a beverage only in a container that can be refilled or recycled.
- (2) A seller must not offer for sale or sell a beverage
 - (a) in a metal container that is opened by use of a rigid metal pull-tab which can be removed from the container, or
 - (b) in a container that bears any label, mark, stamp or inscription which indicates that the container cannot be returned for refund.

Section 8

- (1) A producer must ensure that its redeemed containers are refilled or recycled.
- (2) A person must not dispose of redeemed containers in a landfill or incinerator.

Summary of Consultation Input

Container Design and End-of-Life Management Requirements

Options for regulatory amendment, as well as no change to the existing provisions were suggested by stakeholders. These are:

- Maintain the design for recycling or refilling requirements and the prohibition against landfilling or incineration of redeemed beverage containers in sections 7 and 8 as they stand (no change);
- Amend or eliminate the provisions in sections 7 and 8 to be consistent with the pollution prevention hierarchy in section 3 of the Recycling Regulation

It is noted that currently stewardship plans are approved if they meet the pollution prevention hierarchy in section 3 of the Recycling Regulation. The hierarchy includes the following (a) reduce . . . (b) redesign.. (c) eliminate or reduce unused portions.. (d) reuse . . . (e) recycle the product; (f) recover energy from the product (g) otherwise dispose . . .The Beverage Schedule is not consistent with the entire pollution prevention hierarchy identified in section 3 of the Recycling Regulation.

Nearly all stakeholders from environmental and social organizations, brewers, wine and spirits producers, depot owners, municipalities and members of the public engaged in these issues support maintaining the existing provisions in sections 7 and 8 with no change.

Some of these stakeholders also expressed interest in mechanisms to increase the use of refillable containers, but other stakeholders commenting on this subject say that refilling should remain a business decision and not be mandated by the province.

Many stakeholders from the non-alcoholic beverage industry, stewardship agencies, and packaging suppliers support changing the current provisions in sections 7 and 8 to expand the available end-of-life management options for beverage containers.

These stakeholders express a desire to be able to use the best available technology (such as EFW or composting) when recycling markets are not viable. They also say that technology has improved and when proper standards are put in place other approaches may sometimes prove to be environmentally and economically preferred to recycling or refilling . An example cited is allowing the use of EFW to manage lightweight laminated packaging that uses a small amount of material but is difficult to recycle.

Some stakeholders point out that the “2R” (reuse, recycle) focus of the current provisions on container design and end-of-life management in schedule 1 is not consistent with the broader pollution prevention hierarchy outlined in the Recycling Regulation and applied to all other products addressed by the regulation.

TABLE 3: Stakeholder Comments
Container Design and End-of-Life Management Requirements
Recycling

Name / Organization	Stakeholder	Summary of Comments
Ann Johnston	Public	<ul style="list-style-type: none"> • We must not only retain this provision but we must begin to enforce it. • Adamantly against any change that opens up the possibility of incineration (EFW)
Beverage Alcohol Container Management Council, John Nixon,	Alcohol Industry Association	<ul style="list-style-type: none"> • Supports recyclability provision, provided common sense is used. As an example, the very high cost to move glass could be avoided if in remote areas it could be crushed and used for aggregate in various purposes.
Brewers Distributors Ltd., Bryan Cox	Beverage Association	<ul style="list-style-type: none"> • Fully support requirement that containers must be refilled or recycled • Reuse and recyclability provisions in Schedule 1 should be retained
British Columbia Bottle Depot Association, Corinne Atwood	Depot Association	<ul style="list-style-type: none"> • The BCBDA believes the manufacturer should choose their packaging following the hierarchy of recycling without the newly added energy from waste (EFW) option. • If the manufacturer uses materials that cannot be recycled the manufacturer should be deemed not in compliance and fined appropriately and the offending container removed from sale. • Amend the provision to read “A person <u>or producer</u>, must not dispose of redeemed containers in a landfill or incinerator”.
Canada's National Brewers, Brian Zeiler-Kligman	Beverage Association	<ul style="list-style-type: none"> • The pollution prevention hierarchy should be amended to remove EFW being considered a form of recycling. • Reuse and recyclability provisions in Schedule 1 should be maintained
Canadian Beverage Association, Jim Goetz	Beverage Association	<ul style="list-style-type: none"> • For beverage container materials for which there is no viable end market or where recycling is not feasible (such as stand up laminated juice pouches) the government should give consideration to permitting energy recovery (EFW) as a next best option. • Conditions for when this option can or cannot be used should be clearly defined by the government.
Canadian Bottled Water Association, Elizabeth Griswold	Beverage Association	<ul style="list-style-type: none"> • All beverage containers sold in British Columbia can be recycled, except those that are contaminated through the collection process. It is recommended that they be used as a fuel source in an energy-from-waste (EFW) application, given their high energy content (i.e. BTU value).

Capital Regional District (CRD), Wendy Dunn	Regional District /Municipality	<ul style="list-style-type: none"> • Materials that do not have a recycling market, such as drinking pouches, should not be allowed to be sold in BC. • Support the provision that containers must be recycled or reused as it encourages design for the environment.
Carton Council of Canada, Elizabeth Comere	Packaging Industry Association	<ul style="list-style-type: none"> • Encourages the Ministry to investigate a wider range of diversion options that facilitate a transition from a 2R approach to a 3R waste hierarchy (Prevention, Recovery, Landfill) consistent with other stewardship programs in British Columbia. • The current provision that containers must be recycled or refilled is restrictively narrow and may result in a number of unintended consequences. First, the provision emphasizes the wrong level of the “R’s” hierarchy. For instance, favouring recycling and refilling over reduction could result in packaging choices that inherently use more materials, resources or have a greater environmental footprint.
City of Vancouver, Monica Kosmak	Regional District/ Municipality	<ul style="list-style-type: none"> • Current prohibition of landfilling and incineration are appropriate. Given that refillable and recyclable containers are widely available, the prohibition should remain. • Strongly support the container design and management requirements in Schedule 1 • These design requirements actually enforce the pollution prevention hierarchy in the body of the regulation and are the province's most powerful tool for driving design for environment. • The pollution prevention hierarchy in the regulation is not meant to be interpreted as a menu of acceptable waste management options. By definition, the hierarchy illustrates the importance of moving waste management to the highest levels. • The design requirements set an example for the other Schedules in the Regulation, particularly Schedule 5 Packaging and Printed Paper. • Mandating refillable and recyclable containers is consistent with a results-based approach, given that management at the top of the hierarchy is the desired result of EPR. • Containers that are not refillable or recyclable should not be allowed on the market. • The design and end-of-life management requirements in Schedule 1 are indeed consistent with the pollution prevention hierarchy in the body of the regulation. • They actually enforce the preferential order of reuse and recycling over energy recovery and landfilling. As such, the language in Schedule 1 is the province's most powerful tool for

		<p>driving design for environment and waste management up the hierarchy. It sets an example for other stewardship programs, and a similar approach should be applied to other schedules in the regulation to create a level playing field.</p> <ul style="list-style-type: none"> • To further enforce the pollution prevention hierarchy, the design requirements would be enhanced by setting specific targets for reusable/refillable containers, gradually phasing in higher targets for refillable containers compared to recyclable containers over time.
Columbia Bottle Depot, Clare Cassan	Depot	<ul style="list-style-type: none"> • Keep recyclability provision.
Cowichan Valley Bottle Depot, Vince Spronken	Depot	<ul style="list-style-type: none"> • Provision 7 & 8 should remain the same. • Non-recyclable/refillable containers should be allowed to be sold in BC • Energy from waste should not be sanctioned.
Denman Island Waste Management Company, Robert French	Depot	<ul style="list-style-type: none"> • Beverage containers should not be included in any EFW programs as this would tend to encourage producers to create non-recyclable packaging that is suitable only for incineration.
Dennis Kinsey	Consultant	<ul style="list-style-type: none"> • EFW for beverage containers is not a good idea
Encorp Pacific, Neil Hastie & Bill Chan	Industry Stewardship Organization	<ul style="list-style-type: none"> • Section 7 & 8 provision whereby containers must be recycled and or refilled is inconsistent with the recycling regulation (section 3) specifically the pollution prevention hierarchy whereby “(3)(f) recover material or energy from the product” is accepted in other approved stewardship plans and continues to be accepted in new approved stewardship plans
Food and Consumer Products of Canada (FCPC), Rachel Kagan	Beverage Association	<ul style="list-style-type: none"> • Manufacturers currently using pouches should not be penalized for using materials that may not currently be compatible with existing recycling and processing systems, or that don’t have end markets in place. • Support Encorp in their work to find a suitable solution in having all of its containers recycled in established markets in a cost effective manner, including drinking pouches, which represent 0.7% of the total beverage market. • It takes time, resources, infrastructure and demand to develop end markets for such materials and we encourage the government to be patient during this process. • Supports measures that acknowledge the dynamic nature of product and packaging design innovation, and that promote flexibility within the program to achieve efficiencies while meeting higher diversion targets.
Galiano Island Recycling Resources (GIRR), Nadia Krebs	Not-for-Profit	<ul style="list-style-type: none"> • Fully support sections 7 & 8. • Other extended producers should look to these important sections as models.

		<ul style="list-style-type: none"> • Why would we lower our expectations and allow the production of containers that have no useful reusable life beyond their first use? • Adamantly opposed to any alterations which support EFW (Energy From Waste)
Helen Spiegelman	Public	<ul style="list-style-type: none"> • Maintain the design for recycling or refilling requirements and the prohibition against landfilling or incineration of redeemed beverage containers in sections 7 and 8 as they stand (no change)
Jim Cairns	Public	<ul style="list-style-type: none"> • A form of reuse of used containers definitely to be encouraged when sustainable conservation is the goal.
Juice Council of British Columbia Dan Wong & Rob Fletcher	Beverage Association	<ul style="list-style-type: none"> • Existing provisions prohibiting waste to energy are too restrictive. Understand the paradox – some forms of packaging are engineered to optimize product safety/quality and minimize material usage (i.e., source reduction). However, this prevents the economies of scale needed to achieve viable recycling markets. • The current provision therefore can lead to unintended consequences such as landfilling of small quantities of material because accessible markets are impractical or simply do not exist. • Loosen the language of the regulation to include EFW as a disposal option. This should not be construed as a preferred option but rather as a legitimate contingency in the event higher-level options do not exist.
Metro Vancouver, Andrew Doi	Regional District /Municipality	<ul style="list-style-type: none"> • The provision provides peace of mind that the container is actually getting recycled.
Naniamo Bottle Depot, Paul Shorting	Depot	<ul style="list-style-type: none"> • If we continue to allow manufacturers to generate products that are unable to be recycled under the stewardship plan then a message is being sent to all other producers that the concept of recycling in British Columbia is flawed. • If products are produced and the end goal is for them to be incinerated, then these products should never hit the shelf for consumption.
Nestle Waters, John Challinor & John Zupo	Beverage Industry	<ul style="list-style-type: none"> • Nestle Waters has no objection to their empty beverage containers used as a fuel in an energy-from-waste application.
Pepsi Cola, Neil Antymis	Beverage Company	<ul style="list-style-type: none"> • Pepsi Cola supports energy from waste in very limited circumstances and only if recycling is not possible, where no current market exists, or where the cost of materials management is significantly higher compared to mainstream materials.

Port Coquitlam, Andrew Wood	Regional District /Municipality	<ul style="list-style-type: none"> • The container design and management requirements should continue to require that the beverage container be refillable and/or recyclable
Regional District of Bulkley-Nechako, Janine Dougall	Regional District/ Municipality	<ul style="list-style-type: none"> • New technologies may make sense (i.e. EFW). Consider removing provision in schedule 1 and defer to pollution prevention hierarchy that exists in the regulation. Stewardship plans require public review and approval from MOE anyway.
Regional Recycling Rod Lotzkar	Depot	<ul style="list-style-type: none"> • Do not support changing the requirement which does not allow products collected under this regulation to be burned for fuel, especially those which are made from non-renewable resources. • Need to create an environment where there is an incentive to design products that are reuseable, recyclable and eco friendly.
Sierra Club, George Heyman	Not-for-Profit	<ul style="list-style-type: none"> • We are strongly in favour of keeping an absolute prohibition against incinerating and landfilling containers.
Squamish Lillooet Regional District, Brooke Carrere	Regional District /Municipality	<ul style="list-style-type: none"> • Supports recyclability provision to encourage better design.
Sue Maxwell	Public	<ul style="list-style-type: none"> • Maintain the ban on landfill and incineration for all beverage containers. • There is no need to have any waste from this product category. If a product seems better suited for incineration as one stakeholder seems to suggest, it only serves to underline that those products should be designed out of the system and the system should be designed to limit long-distance shipments of what is essentially water.
The Bottle Depot, Darcy Hipwell	Depot	<ul style="list-style-type: none"> • The reuse or recyclability provision should remain. • Containers that are non-refillable and not recycled should be penalized or banned from sale.
United We Can, Ken Lytier	Social Organization	<ul style="list-style-type: none"> • Keep recyclability provision. Elimination would create an un-level playing field, and give the advantage to producers who are permitted to use EFW.

**TABLE 4: Stakeholder Comments:
Container Design and End-of-Life Management Requirements
Refilling (Reuse)**

Name / Organization	Stakeholder	Summary of Comments
Ann Johnston	Public	<ul style="list-style-type: none"> The domestic beer industry has had the highest return rates at the least ecological cost since the beginning of the last century. Any containers that cannot be refilled or recycled should be turned back at the border.
Canada's National Brewers & Brewers Distributors Ltd. Brian Zeiler-Kligman & Bryan Cox	Beverage Association	<ul style="list-style-type: none"> Refillable containers should remain a business decision, and not mandated by the province.
Carton Council of Canada, Elizabeth Comere	Packaging Association	<ul style="list-style-type: none"> We very much support the position that many brand owners and retailers have expressed in the past, the use of refillable containers is and should remain a commercial decision and government should maintain its neutral stance on this issue.
City of Vancouver, Monica Kosmak	Regional District /Municipality	<ul style="list-style-type: none"> Encourage the province to consider setting specific targets for reusable/refillable containers, gradually phasing in higher targets for refillable containers compared to recycling over time.
Columbia Bottle Depot, Clare Cassan	Depot	<ul style="list-style-type: none"> Refillable container creates the best incentive for producers to reuse. Obviously, they have a vested interest in getting their containers back.
Jim Cairns	Public	<ul style="list-style-type: none"> Review credible Life Cycle Analysis on refilling vs recycling containers
Juice Council of British Columbia, Dan Wong & Rob Fletcher	Beverage Association	<ul style="list-style-type: none"> The use of refillable containers should be entirely at the discretion of the brand owner. The practicality of using refillables is debatable because of the complex economics of dedicated reverse distribution systems, food safety and product integrity considerations depending upon the type of beverage in question, and the environmental cost/benefit equation across the life cycle of the product (i.e., do increased transportation, energy and manufacturing effects justify re-using containers? Depends on the product).

Metro Vancouver, Andrew Doi	Regional District/Municipality	<ul style="list-style-type: none"> Local government supports the shift from using recyclable containers to reusable/refillable containers
Nanaimo Bottle Depot, Paul Shorting	Depot	<ul style="list-style-type: none"> It would be good to see more refillable bottles – people ask about the refillable bottles versus recyclable. People support refillable bottles.
Sue Maxwell	Public	<ul style="list-style-type: none"> Distinguish between refillable and merely recyclable in the deposit rates (and ideally the CRFs). There should be significantly higher fees for non-refillables to provide a market advantage for more sustainable material use as well as to encourage local bottling and a decrease in transport of water based liquids from far away. There should also be higher deposits for harder to recycle materials like Tetra paks, polycoat cartons and drink pouches to encourage the use of more sustainable packaging types.
The Bottle Depot, Darcy Hipwell	Depot	<ul style="list-style-type: none"> The greatest benefit would be to have refillable containers, as re-use is higher in the environmental hierarchy than recycling. Containers that are refillable should be encouraged and promoted with whatever incentive or penalties are required.

Other comments not directly related to provisions under review

This review process was limited in its scope to the three prescriptive provisions in Schedule 1, which include deposit levels, return to retail and container design and management.

In the course of this project, several other issues were raised by stakeholders and are therefore included in this summary report. They are:

- Schedule 1 should be updated to remove the reference to LDB (now outdated) and update the classifications of container types.
- Municipalities, environmental groups, some members of the public and depots have expressed support for including milk containers in the current deposit-refund program.
- Beer container discounting is a problem because consumers feel like they are being ripped-off, and discounting also drives the street community to redeem containers in Government Liquor Store (GLS), which has created difficulties in some stores.

TABLE 5: Other comments not directly related to provisions under review

Name / Organization	Stakeholder	Summary of Comments
Ann Johnston	Public	<ul style="list-style-type: none"> • Add milk containers to the deposit refund system • Container Recycling Fee (CRF) looks like a tax and should be added into the product price, not added onto the price on the receipt.
British Columbia Bottle Depot Association, Corinne Atwood	Depot Association	<ul style="list-style-type: none"> • Milk should be in the program.
Canada's National Brewers & Brewers Distributors Ltd., Brian Zeiler-Kligman & Bryan Cox	Beverage Association	<ul style="list-style-type: none"> • As recovery (i.e. collection) and recycling are two different processes, to ensure that recycling is taking place and to determine the level of the pollution prevention hierarchy that is being achieved, the Ministry of Environment should require that product stewards, in their annual stewardship reports, provide details and performance metrics regarding how their products were recycled. • Given the effectiveness of BDL's current beer container recovery system, any amendments to Schedule 1 put forward by the Ministry that will necessitate a change to that system must be accompanied by proof that such changes will achieve either: a) increased performance at a reasonable cost or b) the same level of performance, but at less cost to consumers. • Schedule 1 should be amended to introduce measures that incent beverage producers to be proactive in reducing system costs through continuous improvement and system redesign. The effect will be to reduce costs to consumers while ensuring the long-term viability of deposit-refund as a cornerstone of EPR in British Columbia. • On beer discounting issue: the amount of money being discounted on beer is less than the CRF which is paid by most consumers (CRF on glass bottles is 10-cents and discounting is from 2 to 5-cents; aluminium can CRF is about 2-cents). Therefore the exiting BDL system is still cheaper for consumers.
Capital Regional District (CRD), Wendy Dunn	Regional District/Municipality	<ul style="list-style-type: none"> • The container recycling Fee (CRF) should not be shown separate, rather incorporated into the price. A separate listing can result in public perception that it is a government tax. • CRD Board had advocated for milk containers to be subject to the same requirements as all other beverage containers in the Recycling Regulation. While these containers are included in PPP regulation, this will only address collection from the

		<p>residential sector and a deposit refund system is the optimum approach to achieve the highest diversion and recovery rates. This October, the board confirmed its position and directed staff to continue lobbying for its inclusion in the deposit return system.</p>
<p>City of Vancouver, Monica Kosmak</p>	<p>Regional District/Municipality</p>	<ul style="list-style-type: none"> • Enforcing the targets for all beverage container sub-categories: Currently the Recycling Regulation requires that the 75% recovery target be applied to each sub-category of beverage containers listed in Schedule 1. This should be enforced. • Given that voluntary increases beyond the 75% target have been slow (about 1% per year), we recommend that a mandatory recovery schedule be included in the regulation to require rates to increase to 80%, 85%, 90% and 95% over time. • We strongly recommend that the regulation be amended to include a schedule to phase in increased targets over time. Based on the Brewers' performance, a realistic timeline would be: <ul style="list-style-type: none"> ○ 80% within 5 years of achieving 75% ○ 85% within 10 years of achieving 75% ○ 90% within 15 years of achieving 75% ○ 95% within 20 years of achieving 75% • This would significantly strengthen BC's results-based approach. • Furthermore, these recovery targets should be applied to discreet beverage container subcategories to boost overall performance and level the playing field. • These actions would complement increased deposits, as well as zero waste goals adopted by local governments. • Full redemption of deposits. We encourage the province to consider amending the Regulation to require all deposits to be redeemed in full. Discounting of deposits should be prevented in order to reduce consumer confusion, ensure public trust, and maintain the full effect of the deposit as an economic incentive. • If collection costs must be subsidized, they should be included in a separate (invisible) recycling fee. These fees should be reported on in annual reports. This would maintain transparency and accountability with consumers. • Regarding invisible container recycling fees, we encourage the province to amend the Regulation to require container recycling fees to be included in the price of the product. Encorp's CRFs have increased over time. Embedding these costs in the price of the product would drive efficiencies in the deposit-refund program.

		<ul style="list-style-type: none"> • Milk containers. The City has long advocated for milk and milk substitute containers to be included in the deposit-refund system. Excluding milk and milk substitutes creates an unlevel playing field for all other beverage containers. In addition, Schedule 5 only covers packaging generated by residents and people in public spaces, and disregards milk and milk substitute containers generated by the ICI sector such as restaurants, coffee shops, hospitals, schools, and other premises. • We respectfully request that the Ministry include the subject of milk and milk substitute containers in the intentions paper and seek input on whether they should be transferred from Schedule 5 to Schedule 1. • Single use cups. We encourage the Ministry to consider requiring deposits on all single use cups for coffee, pop, etc. Single serve cups are a major source of litter, and have an even shorter life span than bottles, cans and other beverage containers. They also take up nearly half the volume of street litter bins, which the City manages at a considerable cost. Many of them are also disposed on commercial premises, which could be immediately addressed through a deposit-refund system.
Columbia Bottle Depot, Clare Cassan	Depot	<ul style="list-style-type: none"> • Milk containers should be in the deposit system. The industry's reported diversion rate of 72% is wrong and the actual rate is about 47% diversion, which is not acceptable. • The Alberta experience illustrates the huge jump in diversion rates with no ill effects to sales after milk was added to the program. • Consider a stakeholder management board like BCMB in Alberta. • Maybe depots should be classified as a utility (as they are in Alberta).
Cowichan Valley Bottle Depot, Vince Spronken	Depot	<ul style="list-style-type: none"> • The CRF is a visible cost to consumers who look at it and get frustrated that they are taxed and then pay to the government an environment levy on top of that tax. I have to explain it to customers time and time again of how it works, that the fee is not going to the government, it is there to help fund the return-it program. • The CRF should be included in the price and not seen as a tax. • Furthermore some retailers have the recycling fee written out on their receipt as a separate deposit, which adds even more confusion to the situation. • The CRF must be placed in the sale price and hidden in the cost.

Denman Island Waste Company, Robert French	Depot	<ul style="list-style-type: none"> In favour of including milk containers in deposit return program.
Encorp Pacific, Neil Hastie & Bill Chan	Industry Stewardship Organization	<ul style="list-style-type: none"> Discounting: Irrespective of the available convenience of BDL return locations, consumers want to make one-stop, which are only depots, in spite of the discounting practice. Estimates about 250M-300M units discounted in the last year. Definitions (Section 4). Delete all sub categories or, at a minimum, specify 5 groupings; namely – aluminium, plastic, glass, polycoat, and other. This can provide efficiencies in terms of less sorts at depots. This can also be made consistent with reporting. Add clarity on accepted containers (Section 6, subsection c & d) and delete “cash” in cash refunds. With technology, security and risk mitigation, high volume transactions can be done through electronic funds transfer (EFT) directly to the customer account. Relating to the comments from the City of Vancouver about setting targets based on the existing performance of beer containers (see directly above, earlier comment), Encorp is also the steward for non-refillable beer and cider bottles as well as wine and spirit bottles that are sold in the province of BC. Encorp’s recovery rate for its alcohol containers for 2011 and 2010 is 94.9% and 94.5% respectively. These recovery rates are equal to or greater than those achieved by the Brewer’s which was 94.0% in 2010. The success in reaching high recovery rates is attributable to that fact that the consumption of alcohol (inc. beer) is largely limited to a controlled environment (i.e. cannot be consumed in a public space). Our overall recovery rate of 80% takes into account a wide range of non-alcohol containers where away from home consumption is common. Therefore comparisons between the two (2) programs should be based on similar types of beverages.
Galiano Island Recycling Resources (GIRR), Nadia Krebs	Not-for-Profit	<ul style="list-style-type: none"> Deposit system must be expanded to include milk and milk substitutes. These containers are currently, for the most part, being land filled. This is unacceptable.
Langley Bottle Depot, Hanif Devji	Depot	<ul style="list-style-type: none"> There should be fairness in issuing beer license and that handling fees should be paid equally throughout the bottle depots in B.C.

Marie Roulleau	Public	<ul style="list-style-type: none"> Place a deposit on milk containers. Eliminate visible CRF on beverage containers.
Naniamo & Area Land Trust, Gail Adrienne		<ul style="list-style-type: none"> Support expanding deposit return program for containers like coffee cups.
Nestle Waters, John Challinor	Beverage Company	<ul style="list-style-type: none"> Need new ways of collecting containers to surpass 85% ceiling. Public space, IC&I, on-the-go and multi-residential must all be part of the program. No need to increase the regulated target of 75%. Our industry should invest in public space (like Richmond pilot) as a compliment to the existing system.
Port Coquitlam, Andrew Wood	Regional District/Municipality	<ul style="list-style-type: none"> The province wide recycling program review and address Tetra Pak containers that are used for soup, broth, and other non-beverage products
Recycling Council of British Columbia, Brock MacDonald	Not-for-Profit	<ul style="list-style-type: none"> Milk should be included in the deposit system.
Regional Recycling, Rod Lotzgar	Depot	<ul style="list-style-type: none"> On discounting: Originally, most depots not contracted through BDL were refunding full deposits just to improve volume and customers. Most depots now discount. (Encorp survey shows 111 depots discount; 59 do not; 2 n/a).
Richmond Bottle Depot, Anil Kotadia	Depot	<ul style="list-style-type: none"> Add milk containers to the deposit system. There should be fairness in issuing beer license and that handling fees should be paid equally throughout the bottle depots in B.C.
Rick Weik	Recycler/hauler	<ul style="list-style-type: none"> Add milk containers to the deposit refund system Retailers should be forced to include CRF in the price of products and not keep it separate.
Sierra Club, George Heyman	Not-for-Profit	<ul style="list-style-type: none"> Welcome a discussion about deposits on other categories of packaged goods
Sonny	Public	<ul style="list-style-type: none"> Add milk containers to the deposit return program
Sue Maxwell	Public	<ul style="list-style-type: none"> Add milk containers to the deposit refund system
The Bottle Depot, Darcy Hipwell	Depots	<ul style="list-style-type: none"> Add milk containers to the deposit system. Alberta has more container types (milk and milk substitutes) and we believe the addition of these containers promotes and produces higher recovery rates on all beverage containers. As illustrated by Alberta, the deposit put on milk containers has not had a negative impact on sales.