

Message in a Bottle



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The BCBRDA Celebrates 20 Year Anniversary

Congratulations to the founding and supporting members of the BC Bottle and Recycling Depot Association. It is through your ongoing commitment that we have helped shape the used beverage container and recycling industry in B.C.

Twenty years ago depots had no long term contracts, no handling fee schedules, no representation to government and the outside world and no recognition of the ongoing contribution depots make to BC's Economy and the environment. The deposit system has created jobs and opportunities for the public to do their part and return materials for recycling. The deposit system has also created unintended spinoffs, thousands of people and organizations in BC depend on monies collected through bottle drives and binning. A special thanks to the "Binners" who work with their neighborhood depot to keep the environment free of deposit bearing used beverage containers and other recyclable material.

Last but not least we congratulate the volunteer Directors of the BCBRDA (past and present) who have participated in governing our non-profit association on top of their day to day duties as depot owners, at times putting aside their own interests for the greater good of the industry. We would also like to thank all the associations, businesses, individuals and members of government who have worked with us in our efforts to move our industry forward.

Here is what is going on in our industry

Over the past year, knowing that handling fee issues were in the near future the BCBRDA Board of Directors started to meet monthly instead of quarterly. One of the results of those meetings was striking a Handling Fee Task Force (HFTF).

Through our surveys 37.9% of respondents supported a 5 year contract of 15% across all containers, 37.5% supported a three year 3 year contract for 10% over all containers. Our Handling Fee Task Force has also requested that another survey be sent out to poll another option **8% increase on all containers for a two year contract. This two year period would coincide with Encorp's stewardship plan renewal. It would also give depots a chance to see what expenses are coming in the future.** Another survey will go out to members only to determine which term depots prefer. The survey will also ask questions about your depot so we can gather information about how much depots contribute to the economy

The opinion of the BCBRDA is that Encorp wants the depot contracts settled so that they report to government that depots are happy with the current offerings. Encorp has offered 5% over the next 5 years on select containers knowing that the results of their own commissioned consultant's reports have identified increased depot expenses of over 50%. Other stewards (most of whom have not offered increases to their handling fees since their programs started) are keeping their heads low hoping that the problems with Encorp and BDL contracts will keep everyone busy for now. Most depots have received an email of the contract offer, and an amendment from Encorp, some have not. Depots should be given the full package including a copy of their most recent depot license agreement and have it reviewed by a lawyer in it entirely before signing anything. Subtle changes in amendments can open the door for new interpretations to the entire agreement.

Message in a Bottle Cont....

The BCBRDA has stepped up pressure on government for a Recycling Management Board that includes “All Stakeholders.” The BCBRDA’s lengthy campaign for government to create a Recycling Management Board to govern the monies collected and create comprehensive policies within the EPR systems is gaining momentum towards that success.

The BCBRDA has narrowed the discussions to program performance and the fact that in more recent years the stewards of BC’s EPR programs have collectively taken from consumers approximately \$400 million per year in deposits, container recycling fees and other eco fees while depots have not been paid enough for services to cover the massive increases in depot expenses over the past years. As of today almost \$100 million is being held in EPR slush funds

For obvious reasons the BC’s EPR stewards are concerned that the BCBRDA is getting some traction for this Recycling Management Board. A Recycling Management Board would introduce a utilities model of governance in BC. In Alberta the government treats the used beverage container management as a utility. The recycling programs on the east coast have a similar system. Everyone involved in the industry has to defend their expenses and depots get paid handling fees based on the results of a review. The governance model that the BCBRDA has suggested would apply to all BC EPR programs and would level the playing field. This utility system would take all of power out of stewards hands and would also mean manufacturers would have to show proof they are actually contributing financially to the system. To date the annual reports posted by Stewards do not indicate directly on their annual reports if manufacturers pay anything in to the system. The EPR Stewards in BC are against the introduction of a utility model because responsibility would then fall to them to operate efficiently and keep open books.

There is too much money at stake to let the industry go unsupervised and in BC we question the EPR program steward’s monopolistic practices towards depots and other service providers. In the case of used beverage containers the stewards have done little to protect and increase depot viability. Encorp has kept container deposit levels low to stagnate the system and volumes and yet Encorp continues to increase depot standards, driving costs up for depots with no apparent benefit to the depot. The recent practice of Encorp buying containers directly from MMBC to avoid paying handling fees to their own contracted depots has continues to cause volume losses for all depots. Some depots have closed, more are struggling. Some depots owners are subsidizing their business out of personal monies. The 4th depot in as many years is closing in March because their numbers don’t work under the current handling fees. The current offer from Encorp and the lack of any handling fee increases from other stewards is pushing depots to insolvency.

Depots in New Brunswick and Nova Scotia are finding that they too are subsidizing their industry. They recently received an increase of 5% but had to fight 4 years to get it and the increase was not given retroactively. Alberta is in the middle of handling commissions review and the numbers on the table could cause depot closures there as well.

Some BCBRDA members have expressed concerns that they have heard rumors that MMBC and Encorp are considering some kind of merger. It’s being speculated that materials and deposits are being kept low so that depots cannot survive. The end game would see MMBC come along with the solution to the lack of recycling locations for used beverage containers. They would suggest that a small non refundable eco fee be applied on the containers instead of a deposit and then consumers put the containers in the blue box for collection. Encorp could claim mass efficiencies in their program and both parties could bask in the collected eco fees with little output to collection. A few larger strategically located depots would be bought out at a discount and operated by the stewards or ask a few select depot operators to do sorting for them like the Oregon model. This scenario ties back to the earlier comment about motives and rewards by some individuals to help stewards divide and conquer the BCBRDA’s efforts for a Recycling Management Board.

Making an Effort to Work Together

In the past year the BCBRDA has been willing to participate in discussions with non members groups who claimed to want to work together. There have only been a few meetings and not all parties attended, nothing has moved forward. The BCBRDA since December 2016 has organized three meetings and invited representatives from other groups. Neither of the other groups have attended any of the meetings or offered the courtesy of a RSVP. Upon recommendation from the HFTF the BCBRDA has decided they will continue on with predetermined strategies in particular there are points in the current contracts that need review and the current offering does not address them. **The BCBRDA recommends that the following points should be negotiated before anyone considers signing the contract for any amount and that the BCBRDA will continue work on behalf of members to reach**

* A negotiated auditing process must be put into place to ensure that audits will not absorb any increases offered.

* Schedule D needs to be negotiated not just accepted even if it does not apply to your depot. The BCBRDA’s recent survey identified that more that 30% of respondents could never satisfy the required Schedule D upgrades and as a result faces a 10% reduction in handling fees. If the smaller depots fail, all depots will be affected.

Message in a Bottle Cont....

The BC Bottle Depot and Recycling Depot Association enjoy a great relationship with the members and staff of the Albert Bottle Depot Association.

Trevor took over the reins from Jeff Linton less than two years ago. Trevor was a quick study and brought with him enthusiasm for the industry, dedication to the ABDA membership and board and the attributes of a respectful negotiator to all other parties. The ABDA is currently about half way through their handling fee commission review.

Trevor was a great supporter of the BCBRDA and the Eastern Recyclers Association. His sudden passing will affect us all.

Our deepest condolences go out to Trevor's family.

Some members of the BCBRDA have already offered donations to Trevor's family in lieu of flowers and if you are interested in doing so you can use the go fund me link or if you prefer the BCBRDA can pass on any donations directly to Trevor's family on your behalf.

The sudden passing of Alberta Bottle Depot Association's Trevor Nickel



In Memory of Trevor Nickel

It is with the deepest regret that I inform you of the passing of Trevor Nickel, President of the ABDA. He passed away Sunday, January 15th, 2017 at the Grey Nuns after a brief battle with pneumonia. He leaves behind his wife Tania and two young children, ages two and four.

In the short time Trevor has served as our President, his contribution has been outstanding. The ABDA Board of Directors is taking every step within their power to support Trevor's family and the ABDA staff during this time of crisis.

A GoFundMe has been set up to support Tania and his 2 children financially in lieu of flowers. If you would like to show your support in this manner, please click on the link below.

[Donate via GoFundMe.com/support-for-trevor-and-tania](https://www.gofundme.com/support-for-trevor-and-tania)

Please keep Trevor's family and the ABDA staff in your thoughts and prayers as we mourn and grieve this loss. Thank you.

Brenda Smith
Chair
ABDA

The BCBRDA Your voice in the recycling industry for over 20 years
