

Consultation Summary:  
**Encorp Pacific Stewardship Plan  
Targets**

FINAL REPORT

July 24, 2018

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# 1. INTRODUCTION

## BACKGROUND AND SCOPE

Encorp Pacific (Canada) (“Encorp”) is the not-for-profit stewardship agency appointed by producers of packaged ready-to-drink beverages to fulfill their obligations under the Recycling Regulation, Schedule 1, Beverage Container Product Category (BC Reg. 449/2004). It operates a province-wide collection system to manage used beverage containers for ready-to-drink beverages sold in British Columbia (“BC”), except refillable beer bottles and beer aluminum cans.

Encorp’s latest five-year stewardship plan<sup>1</sup> was approved by the BC Ministry of Environment and Climate Change Strategy, with the understanding that the 2018 to 2022 program performance targets be updated to address certain policy items that have been introduced since the approval of the current plan. In keeping with this, the public consultation focused on the 2018 to 2022 plan targets and required updates, as outlined in **Reference Document A**.

Encorp commissioned MNP<sub>LLP</sub> (“MNP”), a major Canadian accounting and consulting firm, to assist in the public consultation process and to compile along with organize the related commentary. This report is the resulting product of the public consultation process and will inform Encorp’s final submission to the BC Ministry of Environment and Climate Change Strategy.

## CONSULTATION PROCESS

The public consultation process took place from May 8, 2018 to June 22, 2018. As noted above, the consultations focused on the proposed performance targets and included one new section as required by the BC Ministry of Environment and Climate Change Strategy, namely “processes for setting fees”.

On the logistics and format for the consultation process, invitations were first sent by Encorp to the following stakeholder groups for input:

- All registered brand owners
- Contracted Depots, Transporters and Processors
- BC Product Stewardship Council (BCPSC) – Members
- Retail Council of Canada (RCCC) – Members
- Canadian Beverage Association (CBA) – Members
- Beverage Alcohol Containers Management Council of BC (BACMC) – Members
- Recycling Council of BC (RCBC) – Members
- Coast Waste Management Association (CWMA) – Members
- Stewardship Agencies of BC (SABC) – Members
- Metro Vancouver – Member municipalities
- Non-governmental organizations
- Canadian Plastics Industry Association (CPIA)
- Carton Council
- Juice Council of BC (JCBC) – Members
- Canadian Bottled Water Association (CBWA)

After this, the consultation proceeded using online, in-person and web-based formats, with the sequence being:

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<sup>1</sup> The stewardship plan covers all containers for ready-to-drink beverages sold in BC, except refillable beer bottles and beer aluminum cans. This includes soft drinks, juice, water, wine, coolers and spirits among other drink categories.

- Online submissions, from May 8, 2018 to June 22, 2018, through [www.returnit.ca/consultation2018](http://www.returnit.ca/consultation2018).
- Submissions, from May 8, 2018 to June 22, 2018, through a direct email address ([consultation2018@returnit.ca](mailto:consultation2018@returnit.ca)).
- A meeting with Encorp's Advisory Committee on May 3, 2018.
- A meeting with Encorp's Council of Depot Operators (CODO) on May 15, 2018.
- An open webinar on May 16, 2018.
- An in-person public consultation at the 2018 RCBC Zero Waste Conference on May 30, 2018.
- A webinar with the BC Product Stewardship Council on June 12, 2018.

Following the end date of June 22<sup>nd</sup>, 2018, for the formal consultation period, a few additional letters and email submissions were received. These have been appended to this report along with the other online submissions collected during the consultation period for the purposes of inclusiveness and to address, in one case, a contention.

In preparing this report, MNP also carried out the following activities:

- Organized and documented the proceedings for the two web-based public consultation sessions.
- Attended the public consultation meeting at the 2018 RCBC Zero Waste Conference on May 30, 2018 in Whistler, to record and compile participant comments.
- Collected, compiled and sorted responses received from webinar, in-person and online submissions.

## LIMITATIONS

MNP has relied upon the completeness, accuracy and fair presentation of all information and data obtained through the various stakeholder consultations. The accuracy and reliability of the findings and opinions expressed in this report are conditional upon the quality of this same information. As a result, MNP cautions readers regarding their reliance on the findings and disclaims any associated liability. Additionally, the findings and expressed opinions constitute judgments as of the date of the report and are subject to change without notice. MNP is under no obligation to advise of any such change brought to its attention which would alter those findings or opinions.

## 2. CONSULTATION SUMMARY

The tables on the following pages present all the questions and comments obtained through the public consultation process, as well as Encorp's responses. These tables have been organized according to how the public consultation process was structured and the themes that emerged from the received stakeholder feedback.

### 1. Performance Targets

- 1.1 Consumer Awareness
- 1.2 Consumer Access
- 1.3 Environmental Impacts
- 1.4 Recovery Rate
  - 1.4.1 Deposit Levels

### 2. Other Plan Commitments and Considerations

- 2.1 Partnerships
- 2.2 Depots and Other Collection Capabilities
- 2.3 Fees
- 2.4 Data Analytics

### 3. Consultation Matters and General Comments

- 3.1 Process and Structure of the Consultation Process
- 3.2 Other Comments

Details regarding the webinars and in-person consultation, including the “real time” responses, can be found in **Reference Document D**, from pages 43 to 49, and **Reference Document E**, from pages 50 to 51, respectively. All comments and input provided as part of the public consultation process have been included and presented in this report.

**Table 1: Performance Targets**

1.1 Consumer Awareness	
Question / Comment	Encorp Response
<p><i>(From the Korean Association of Recycling Movement Alliance (KARMA))</i> Expanding number of depots would not be sustainable without customer awareness which leads to more business. Encorp Pacific helps new businesses or existing businesses in multiple ways from promoting business to increasing overall efficiency of depot workload. They have help many trade shows and staff's been easily reachable. As a result, many of depot operators have been willing to open new depots. Expanding their businesses also help strengthen recycling infrastructure for last two decades. It is beneficial for general consumers, too. All our members are immigrants and they do not have many resources when it comes to handling difficulties about running a business, without Encorp's help all of us agree that it would be much harder to be in this industry. Majority of depots have contractual relationships with other stewardship. Experiences with Encorp is far superior than all other stewardship in BC and all of KARMA members agree. I hope this letter helps you to understand what Korean depots have experienced with Encorp and our members are looking forward to working with Encorp many years to come.</p>	<p>Encorp would like to thank all participants for the positive and supportive comments and ideas they submitted as part of this consultation. We pride ourselves in the high level of awareness and the effective programs we implement on an annual basis. Encorp commits to continue to provide the same high level of consumer awareness throughout the duration of this plan. We will continue to research and develop new innovative programs to ensure we are always top of mind with consumers.</p>
<p><i>(From ABD Solutions Ltd.)</i> The high level of public brand awareness of Return-it has also created great exposure for ABD within the commercial market. By co-branding with the Return-it name ABD has been able to grow its business through the recognition and confidence provided by the Return-it brand. I am proud to say that we supply both needed and essential service to the top B.C. restaurant brands and many other public and commercial organizations.</p>	
<p><i>(From Central Island Distributors)</i> We wholly support Encorp's many initiatives ... especially the public awareness initiatives that the public constantly views on television and many other levels of media. Continuously keeping the BC residents informed and aware of our premier deposit/refund system here in BC.</p>	
<p><i>(From Paul Shorting, Bottle Depot Operator)</i> Encorp continues to run the same marketing programs every year. Let's get back to the basics at the retail level and educate with shelf hangers or do a pilot program for low return beverage containers. You may have a 95% consumer awareness, however there is a reason why many consumers do not recycle at the facilities.</p>	

<p><i>(From Emterra Environmental)</i> We have found that their ongoing public education and awareness campaigns have supported a reduction in the volume of UBCs collected at curbside, while simultaneously we've seen the volume UBCs received and processed through their Bottle Depot – Return-It Centres remain strong.</p>			
<p><i>(From Merlin Plastics Supply Inc.)</i> Encorp's initiatives definitely make consumers aware of the ability to recycle beverage containers and when and where this can be done as evidenced by the high rate of return achieved in BC.</p>			
<p><i>(From United Concrete and Gravel)</i> I believe we in B.C. through the Encorp program have a system and awareness that is second to none.</p>			
<p><i>(From Metro Vancouver)</i> Encorp should be commended for its exceptionally high consumer awareness...</p>			
<p><i>(From Vanguard Bottle Depots Ltd.)</i> Vanguard fully supports Encorp and their initiatives. Through public awareness and education, they have changed the way the public views recycling.</p>			
<h2>1.2 Consumer Access</h2>			
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"><b>Question / Comment</b></td> <td style="width: 50%;"><b>Encorp Response</b></td> </tr> </table>		<b>Question / Comment</b>	<b>Encorp Response</b>
<b>Question / Comment</b>	<b>Encorp Response</b>		
<p><i>(From Isabelle Faucher, Carton Council Canada)</i> How is "convenient" consumer access defined? Is it a driving time of 30 minutes or less?<sup>2</sup></p> <p>I would suggest that accessibility based on walking distance (as opposed to driving) be looked at for urban environments.<sup>3</sup></p>	<p>The full Return-It network delivers access to 99.4% of BC's population. We measure consumer access by using the Stewardship Agencies of British Columbia (SABC) standard, which defines the rural drive time as 45 minutes and the urban as 30 minutes. We then map out every Return-it Depot, major grocery store and all liquor stores throughout the province. We reduce the population base for rural areas to 3,000. The result is that the farthest collection point in rural area is 45 minutes, however the majority are about 30 minutes; and, in urban areas the farthest collection point is 30 minutes, however in most cases it is less than 15 minutes.</p>		
<p><i>(From Andrew Doi, Metro Vancouver)</i> In the 2014-18 Plan, under Performance Targets - Consumer Access, the Plan speaks to maintaining the population to depot ratio at current levels. Can Encorp provide an update on this ratio?<sup>4</sup></p>			

<sup>2</sup> Encorp's "real time" response to this webinar/public session question can be found in Reference Document D on page 45.

<sup>3</sup> Encorp's "real time" response to this webinar/public session question can be found in Reference Document D on page 45.

<sup>4</sup> Encorp's "real time" response to this webinar/public session question can be found in Reference Document D on page 48.

<p>In the 2014-18 Plan, it speaks to improving consumer access in Metro Vancouver, can Encorp provide an update on new depots and innovative collection methods?<sup>5</sup></p> <p>Encorp should be commended for its exceptionally high consumer awareness and consumer access achievements, its broad collection network, and leadership in adopting innovative new initiatives such as Return-It Express and Return-It Streetscape Bins.</p>	<p>We have also developed a convenient “Express” drop-off system which provides more convenience for consumers, enabling them to gather a mixed bag of containers, label it with their account number, and leave it at the depot. The depot then counts and sorts the beverage containers and credits that person’s account with the deposit refund. That is just one of the convenience levels that we are providing.</p>
<p><i>(From Merlin Plastics Supply Inc.)</i> Merlin believes that Encorp has provided the infrastructure necessary for the community to return containers and keep them out of the landfills and our waterways. They provide the consumer with the opportunity to bring the containers back for refund. And if the consumer is sloppy and chooses not to return it, then any other person who picks it up is also entitled to receive the refund deposit money and this all works to ensure the maximum number of containers are returned and recycled effectively. We firmly consider Encorp to be an effective and responsible stewardship organization and one that is doing an effective job in BC. We wholeheartedly support their work.</p>	<p>We also continue to look at the implementation of reverse vending machines (RVMS) in depots to provide further convenience. We always seek innovative ways to locate more depots or pilot alternative types of services, especially in the Metro Vancouver area.</p> <p>We have reached the already high-performance target of 97% and plan to include the full Return-It network as well as set the performance target to 99% access of BC’s population within the coverage area defined in SABC accessibility standard.</p>
<p><i>(From Vanguard Bottle Depots Ltd.)</i> And by building an efficient depot collection network, they have given the public convenient access to recycle their beverage containers.</p>	
<p><i>(From Sue Maxwell, Whistler, BC)</i> While the report notes high levels of coverage, I am not sure how this is calculated. I know of at least one community where the depot closed due to inability to keep pace with increasing rent. I do not think that a 45-minute drive for smaller communities is appropriate, especially with the restrictions on return to retail. Increased return rates will happen when there are convenient options available to consumers (as convenient as buying the products in the first place). Levels of coverage that are adequate should be developed in consultation with the local governments.</p>	
<h3>1.3 Environmental Impacts</h3>	
<p><b>Question / Comment</b></p>	<p><b>Encorp Response</b></p>
<p><i>(From Erin Blaney, Regional District of Kitimat Stikine)</i> Has there been any R&amp;D progress on the recycling of the pouches (like Capri Sun juice drinks)?<sup>6</sup></p>	<p>For clarification purposes;</p>

<sup>5</sup> Encorp’s “real time” response to this webinar/public session question can be found in Reference Document D on page 48.

<sup>6</sup> Encorp’s “real time” response to this webinar/public session question can be found in Reference Document D on page 48.

<p><i>(From United Concrete and Gravel)</i> I believe it is Encorp's efficient and easy to use program as well as the number of return-it centres that allows for a very clean and effective way of container collection that contributes to a higher percentage of glass containers collected that are free of contaminants and kept from entering the garbage stream.</p>	<ol style="list-style-type: none"> <li>1. In the Provincial Recycling Regulation, under the Environmental Management Act, Part 2, section 5(3)(b) "Redesign the product to improve reusability or recyclability" is relevant to Encorp's stewardship plan</li> </ol> <p>None of the brand owners in Encorp's program use reusable containers, they are recyclable and as such meet the requirements of the regulation.</p>
<p><i>(From Sue Maxwell, Whistler, BC)</i> The regulation calls for only using refillable and recyclable containers as well as to move up the hierarchy. I do not see any actions planned to encourage the use of more refillable bottle and container types and to reduce the use of "recyclable" container types where much less of the material actually gets recycled (gable tops, pouches, tetrapaks).</p>	<ol style="list-style-type: none"> <li>2. Encorp reports annually on how containers are managed. For reference this information is in Section Five – Environmental Impacts of the annual reports. <a href="http://www.returnit.ca/ar2017">www.returnit.ca/ar2017</a></li> </ol> <p>Encorp includes beverage containers collected through RecycleBC's curbside programs in our system. None of the beverage containers collected through Encorp's system are incinerated or sent to landfill.</p>
<p><i>(From Vancouver Island Recycling and Waste Industry Coalition (VIRWIC))</i> The Recycling Regulation requires that Encorp report on how beverage containers are managed in accordance with the Pollution Prevention Hierarchy (e.g. re-use, recycling and energy recovery). Encorp fails to report in their Annual Reports or set target in the Plan for how containers are managed in accordance with the Pollution Prevention Hierarchy. VIRWIC believes that an estimated 5-7% (approx. 2 million) of beverage containers collected in curbside programs in BC are now not recycled, but instead incinerated because of an Encorp operational change. This is unacceptable, and potentially in violation of the Recycling Regulation. The reason for this is that in 2015 Encorp made an operational change to have all beverage containers collected at curbside to be bailed with the curbside material and sent to Vancouver for processing. Bailing these containers with all curbside materials creates contamination that has led to fewer containers being recycled and more incinerated. Previously, local depots would work directly with curbside programs to sort and recycle these containers. Therefore, Encorp has made an operational change (presumably for cost saving) that has led to a lesser environmental outcome. Encorp should report how many containers are re-used, recycled or incinerated and set targets for these categories. Encorp should also reverse its 2015 operational decision and allow local depots to work with curbside programs to ensure that as many containers are recycled as possible.</p>	<p>Encorp includes beverage containers collected through RecycleBC's curbside programs in our system. None of the beverage containers collected through Encorp's system are incinerated or sent to landfill.</p> <p>This claim is supported in a letter sent by Green by Nature, which states that the beverage containers from the curbside program are not incinerated, but rather tracked, processed and subject to Recycle BC and CSSA's reporting requirements. Please refer to <b>Reference Document F</b>, on page 74.</p>

1.4 Recovery Rate	
Question / Comment	Encorp Response
<p><i>(From Sue Maxwell, Whistler, BC)</i> Given the long-standing nature of the program and the high level of awareness, the fact that recovery rates are not higher is concerning. I see in my area and hear from others elsewhere about the litter issues with beverage containers. The recovery rate targets should be higher -within five years all of them should be at least 75% as this program has had decades to work on this.</p>	<p>We received a variety of ideas and input with regard to recovery rates and deposit levels; for clarity we have presented the response into two categories.</p> <p><u>Recovery Rates</u></p> <p>The input received regarding the draft recovery rate performance targets, as set out in the update to the approved plan, was very diverse. Many feel that the easiest solution is to increase the performance targets without evidence that higher recovery rates are achievable. We feel that acknowledging the recovery rate that has been reached today, and looking at the historical trends and forecasts to determine what we can achieve by applying well thought out initiatives and effort, is the best strategy.</p> <p>While we recognize and explain in the briefing document why the rate is declining due to economic conditions, the number of units collected has increased over 50 million units during the current stewardship plan's timeframe. History shows that strong sales in a robust economic market results in lower recovery rates.</p> <p>We know that recovery rates must be improved, and our targets provide for annual increases throughout the five-year time frame for this plan. We aspire to reach the 82% target set out previously; however, given the current environment, we feel 79% is a goal we can realistically achieve and hopefully exceed.</p> <p>While we appreciate the many ideas participants in the consultation process have put forward as solutions to increase the recovery rate, we feel that there are three main areas of focus that will position Encorp to reach our goals.</p> <ol style="list-style-type: none"> <li><b>1. Industrial, Commercial &amp; Institutional (IC&amp;I) sector</b> – Our research and significant evidence shows that, in good economic times, recovery rates tend to decline. In part, this is because people tend to consume more beverages while away from home in outdoor spaces and in the IC&amp;I sector. Encorp will develop and establish methods to collect and count beverage containers being recycled but not currently counted within our system. We will also continue and expand upon the proven programs we have implemented such as the outdoor spaces, parks and commercial business bin program among others.</li> </ol>
<p><i>(From Carton Council of Canada)</i> Thank you for the opportunity to comment on Encorp's 2018-2022 program targets. We would like to commend Encorp for operating a very successful beverage container deposit return system in British Columbia. Encorp's yearly performance reporting through its annual report, allows us to track the performance of those beverage cartons that are managed in the deposit system. With regards to the proposed targets pertaining to gable top and aseptic containers (i.e. Drink Boxes), we are generally supportive of those put forward in the public consultation document. In closing, CCC commends Encorp Pacific for the quality of the consultation process that it has led to date, and we look forward to continuing the work to advance the recovery of beverage cartons in British Columbia.</p>	
<p><i>(From Vancouver Island Recycling and Waste Industry Coalition (VIRWIC))</i> Encorp's collection (recovery) rate is in a crisis mode and has been significantly declining at a rate never seen before. Unfortunately, the Plan essentially relies on the existing strategies and approaches to resolve declining collection rate issue. Encorp's plan needs to have new strategies to resolve this crisis. Lowering the target to 76.2% for 2018, simply to create a target that reflects the declining performance, is not an acceptable strategy and does not reflect a world-leading program. Globally, the most effective strategy for increasing the collection rate is to increase the refund level. The Province sets the minimum deposit level in the Recycling Regulation, however Encorp has the authority to increase the refund level for underperforming categories. The strategy to increase refund levels should be included in the new Plan, even if to provide the rationale on why, when or why not the refund level should be increased. A second strategy could be to provide a greater incentive to the collection network to collect more containers. This could include performance bonuses for depots, enhanced street-scape and public collection services and allowing depots to expand their services and partner with local government curbside programs to recover more containers.</p>	

*(From Andrew Doi, Metro Vancouver)* The 2014-18 Plan, under Performance Targets - Recovery Rate, includes a 5-year average performance of 79%. Did the 5-year average factor into setting of performance targets for that Plan?<sup>7</sup>

Proposed Performance Targets – 2018-2022, Page 5: In the 2014-2018 Stewardship Plan, Encorp developed a 5-year weighted average of 79% recovery in setting performance targets. In that plan, the target for 2017 was 81.5%, whereas the actual performance was 75.8%, or 5.7% below target. During consultation, Encorp representatives stated that a 5-year weighted average was not used in setting new (2018-2022) performance targets. We recommend that Encorp determine a 5-year weighted average for 2013-2017 and use this average recovery rate as the basis for setting a new (2018-2022) recovery rate target.

- 2017 – 75.8%
- 2016 – 78%
- 2015 – 78.9%
- 2014 – 79.1%
- 2013 – 80.1%

Proposed Performance Targets – 2018-2022, Page 5: The Proposed Amendments to Program Targets documents states that economic growth creates challenges for beverage container recovery. Further discussion of barriers and challenges is required to explain Encorp's rationale to establish a new collection rate target which is nearly 5% lower than the previous plan. In addition, Encorp should identify a series of specific actions that will be undertaken in order to reverse the recent trend of declining recovery rates.

Since the 5-year average was used for the previous Plan, the new target appears to be based on 2017, which Encorp says was a difficult year. Would Encorp consider using the 5-year average again for the basis of performance targets?<sup>8</sup>

*(From Jamie Benton, Fraser Valley Regional District)* Would Encorp consider getting behind the Binners' project in Vancouver and consider whether this is a potential pilot for other areas of BC to increase recovery rates?<sup>9</sup>

2. **Targeted Marketing Initiatives** – Past efforts, particularly with gable top and aseptic containers, have proven that financially backed, focused marketing efforts can increase the recovery rates of underperforming container types. Encorp will direct marketing efforts to focus on the single serve plastic container type which makes up approximately 40% of the container mix and can have a significant impact on our overall recovery rate.
3. **Increased Access and Convenience for Consumers** – Consumer's expectations are much higher than they have been in the past. Convenience, while it means different things to everyone, is the number one barrier identified by those that are not already recycling. Encorp plans to enhance the consumer experience by piloting new and innovative collection methods and refund location points using technology, express programs and alternative types of facilities.

<sup>7</sup> Encorp's "real time" response to this webinar/public session question can be found in Reference Document D on page 48.

<sup>8</sup> Encorp's "real time" response to this webinar/public session question can be found in Reference Document D on page 49.

<sup>9</sup> Encorp's "real time" response to this webinar/public session question can be found in Reference Document D on page 49.

<p><i>(From Janice Song, Bottle Depot Operator)</i> I also believe that during periods of economic growth, the recovery rate will most likely decrease. For the future investment in automation is crucial, so the recycling experience can be much easier and more efficient. Another way to attract more people is to increase the deposit that is given per container. If the deposit fee was to be increased, it would attract a wider demographic of people to the depots.</p>	
<p><i>(From Brianne De Man, Binnars Project)</i> In addition to the noted decrease in the recovery of plastic containers between 2012 and 2017, there was also a decrease in the recovery of glass containers. Binning is a physically demanding job and moving around heavy glass is difficult for many. Increasing the incentive for bidders and non-bidders alike to return refundable material, and glass in particular, would increase the return rate for these items.</p>	
<p><i>(From Central Island Distributors)</i> We wholly support Encorp’s many initiatives including those of audit and control to prevent fraud ....</p>	
<p><i>(From Corrine Atwood, BC Bottle and Recycling Depot Association)</i> What percentage of the recovery rate was through Return-It Bottle Depot collection, and what percentage of the recovery rate was through Recycle BC?<sup>10</sup></p>	
<p><i>(From Adanac Recovery Ltd.)</i> We have a sincere desire to work with Encorp to succeed in obtaining higher Recover Rate Targets. If Encorp wants to increase their Recovery Rate, Encorp should allow all service providers (including Depots) to pick up containers from retailers, at the same province wide rate (\$0.02 per container), thus establishing a level playing field. Many retailers are turning away consumers, refusing to provide consumers a refund, and/or landfilling containers because they do not have the storage space or are not receiving frequent enough pick up service.</p>	
<p><b>1.4.1 Deposit Levels</b></p>	
<p><b>Question / Comment</b></p>	<p><b>Encorp Response</b></p>
<p><i>(From Elaine Wiebe, Regional District of Bulkley-Nachako)</i> Has any consideration been given to raising the deposit rates?<sup>11</sup></p>	<p>While increasing the deposit levels to be paid by consumers and refunded when the empty container is returned for recycling is one tool that Encorp can consider, we do not feel that</p>

<sup>10</sup> Encorp’s “real time” response to this webinar/public session question can be found in Reference Document D on page 45.

<sup>11</sup> Encorp’s “real time” response to this webinar/public session question can be found in Reference Document D on page 48.

<p><i>(From Sue Maxwell, Whistler, BC)</i> I think the program should be advocating to the province to raise the deposit rates. The nickel is our smallest currency denomination and many surrounding jurisdictions have raised the minimum deposit to 10 cents already. I think it is key to ensure that the level of incentive that a deposit provides keeps up with the pace of cost of living increases or inflation to maintain its effectiveness. Ideally the rate keeps rising until the desired level of return is achieved.</p>	<p>such a drastic action is warranted. We have found no empirical evidence to demonstrate that increasing the deposit level equates to a sustained increase in the recovery rate. Our research has shown that it can lead to a short-term increase in the rate that has not proven to be sustainable over the long term.</p>
<p><i>(From Vancouver Island Recycling and Waste Industry Coalition (VIRWIC))</i> The \$0.05 refund level needs to increase to \$0.10. Every neighboring jurisdiction in the region (e.g. Alberta, Saskatchewan, Oregon) has increase the deposit/refund level to be above \$0.10. These same jurisdictions all have higher Recovery (collection) Rates than Encorp does. It is well-known worldwide that refund levels drive collection performance. If Encorp does not increase the refund level, then the Province should amend the Recycling Regulation to increase the minimum deposit/refund level.</p>	<p>The recovery rate for “beverage containers” is above the regulated requirement of 75 percent and we are targeting continuous improvement throughout the five-year plan. When we include all container types and combine the two programs operating within the beverage container category the recovery rate exceeds 80% in BC.</p> <p>When calculated by weight, as the regulation states many other EPR programs measure performance, Encorp’s recovery rate in 2017 was 84.1%.</p> <p>When comparing BC to the other five provinces that have the same deposit levels and the same container types within the program, Encorp’s recovery rate in 2017 was second highest even though 2017 was a particularly bad year for recovery due to the inclement weather experienced during the winter of 2017 in Metro Vancouver.</p>
<p><i>(From Paul Shorting, Bottle Depot Operator)</i> The board of Encorp has the ability to increase deposit levels as .05 for the last twenty is not the same value. Alberta, Saskatchewan, Yukon and Oregon have all increased their deposit values with little or any public outcry. Have you thought about moving to a one level deposit to increase the decreasing recovery rate from the last several years? All operators want to work together and get back to being a leader in the beverage container industry.</p>	<p>There are three deposit levels (5 cents, 10 cents and 20 cents) within Encorp’s system. The different levels applied by size of container type do not directly reflect the recovery rates for each. For instance, some containers that carry a 5-cent deposit far exceed the 75% target, and conversely some that carry a 20-cent deposit level have not yet reached this level.</p> <p>We know from decades of history that many factors influence the recovery rate, not just the deposit levels. Such factors include the container mix sold, where beverages are consumed, new products introduced into the market and consumer expectations. Encorp continuously monitors and tracks these factors then implements measures to ensure that we continue to be a leader in EPR program performance in Canada.</p>

**Table 2: Other Plan Commitments and Considerations**

2.1 Partnerships	
Question / Comment	Encorp Response
<p><i>(From Carton Council of Canada)</i> Given the large volumes of cartons that are consumed out-of-home, in particular drink boxes that are consumed in schools, we would welcome the opportunity to partner with Encorp to grow the capture of cartons from this segment.</p>	<p>Encorp has many partnerships in place and have worked directly with the Carton Council and the Bidders Project on various projects in the past and are certainly willing to partner on future initiatives as well.</p>
<p><i>(From Brianne De Man, Bidders Project)</i> Bidders are among one of the most marginalized groups in urban areas. Their livelihoods stem from refunds received from used containers collected from bins. Bidders positively contribute to our environment by diverting a considerable amount of waste. Specifically, bidders work on the streets to recover bottles and cans that would often be thrown into landfill streams. The proposed plan notes that Encorp will continue to invest in street-based recycling programs to increase the recovery of away-from-home containers. Bidders are extremely familiar with street-based recycling and are experts in recovering recyclable items. We would be open and enthusiastic to expand our work with Encorp and municipalities to implement systems that make recycling on the street easier for people away-from-home, along with having bidders aid in the recovery of refundables from landfill streams on the street.</p>	
2.2 Depots and Other Collection Capabilities	
Question / Comment	Encorp Response
<p><i>(From Megan Haley, Regional District of Kitimat Stikine)</i> Some of our communities are very small and remote. We have 9 or 10 First Nation communities which are collecting beverage containers at their sites. Currently they use the money from the refundables to pay for the shipping of Packaging and Printed Paper (PPP) materials. That's our challenge...What are the possibilities for establishing bottle depots?<sup>12</sup></p>	<p>The application process to open a Return-It depot was developed to ensure that we consider any community or business person that can provide evidence they can sustain a viable depot business. Generally, in small remote locations, the business needs to have other income to sustain itself. We start by looking at the business plan. If there is an existing business that can show how they can operate within the small population base it may work.</p>

<sup>12</sup> Encorp's "real time" response to this webinar/public session question can be found in Reference Document E on page 51.

<p><i>(Sue Maxwell, Whistler, BC)</i> Depot stability is important. In some jurisdictions, rent and costs are higher than elsewhere in the province. The program should look at the example of the oil program that had zones recognizing some of these higher costs. Once the need for depots has been established (as in 4 above) then the program should work to ensure required depots are established and if the costs are higher in a specific location, that those are covered. It should also be acknowledged that this program like most is a monopsony so having depots sign on is not necessarily an indicator of endorsement of the compensation levels but rather a necessity to stay in business. It should also be noted that this program has often been the first one with depots and that a depot for beverage containers often becomes the defacto hub for collection of other program products and so efforts should be made to create a critical mass of business to ensure depots are stable in communities</p>	<p>In other cases, we look to see if there are other options for partnerships or ways to help facilitate the collection of the beverage containers and provide the deposit refund. In any case we provide the deposit refund when presented with containers registered within our program.</p> <p>Encorp currently has some unique partnerships in place to recover containers from urban, rural and remote areas. The full network reaches 99.4% of BC's population based on the Stewardship Agencies of British Columbia (SABC) access standard.</p> <p>Encorp's collection network of 171 Return-It depots, 268 Grocery retailers and 198 government run liquor stores is mature and well established. The 2016 independent report conducted by MNP on depot financial shows that the Return-It depots are financially stable and profitable. Depot licences are currently being sold by the owners at levels significantly higher than originally purchased.</p>
<p><i>(From Metro Vancouver)</i> All EPR programs should develop arrangements for local governments who receive, or pick-up illegally dumped material, to be paid for managing and handling this material, whether or not the facility is designated as a depot. Local governments, generally, do not seek to compete with private depot operators, yet still receive this material from residents and businesses. (Stewardship Agencies of BC members should consider a study to find out the root causes for people who dump illegally, who bring materials to transfer stations even when there are permanent depots available, prefer 'round-up' events to permanent depot locations, and 'hide' banned materials in residential loads. Such a study is recommended to include possible solutions to address these issues, such as enhanced collection models that go beyond the drop-off approach (depot model), and illegal dumping cost recovery models for local government, similar to the program implemented by producers in California.)</p>	
<p><b>2.3 Fees</b></p>	
<p><b>Question / Comment</b> <span style="float: right;"><b>Encorp Response</b></span></p>	
<p><i>(From Corrine Atwood, BC Bottle and Recycling Depot Association)</i> The third-party consultant hired by Encorp for the handling fee review did not determine new handling fees for depots. What methodology was used to determine the handling fees that were offered?<sup>13</sup></p>	<p>Most Encorp operations, such as transportation and processing, are carried out by third party businesses that operate in competitive environments. Encorp either directly negotiates</p>

<sup>13</sup> Encorp's "real time" response to this webinar/public session question can be found in Reference Document D on page 45.

<p><i>(From Central Island Distributors)</i> We totally support Encorp’s network system and infrastructure. As an Encorp partner we are compensated fairly and receive payment in a consistent and timely manner. This allows us to grow our business.</p>	<p>rates or issues competitive Requests for Proposals (RFP’s), to ensure the program maintains market costs and the system is run in a cost-effective manner.</p>
<p><i>(From Adanac Recovery Ltd.)</i> We currently operate three Authorized Encorp Depots in the Capital Regional District. Within the last ten years we mortgaged properties for two of our Depots. We pay ludicrous property taxes of over \$7,000 per month per one Depot. Since we assumed these mortgages and property tax commitments, Encorp has reduced many of our revenue streams, which substantiated our property purchases and overhead expenses...The repetitive reduction of our transport revenue results in Encorp paying over 25% more for the exact same transport services. This contravenes Encorp’s Program Principles Section 2 c. "Manage the system in a cost-effective manner". To defend their unreasonableness, I believe Encorp provided misinformation when stating that CID was both a Transporter and Processor for Encorp. Encorp pays other non-depot Collectors on the lower mainland the same handling fee as Depots receive, plus a \$0.02 per container Transport Collection Fee. This \$0.02 container Transport Collection Fee is higher than the per bag fee we were being paid. This contravenes Program Principles 2 g. "provide a high degree of transparency in all its operations". Encorp is aware these non-depot Collectors discount the refunds paid to commercial accounts. It is also known that some smaller retailers and commercial businesses landfill beverage containers. The discounting and/or landfilling of deposit containers is in violation of the Beverage Container Stewardship Regulation. Depots not being able to productively pick up retailers has caused retailers (ie: 7-11, Mac’s and many other retailers) to refuse to refund the beverage containers that they sell. This also contravenes and is in violation of the Beverage Container Stewardship Regulation. Encorp has recently contracted to pay Depots to transport containers from Save-On Foods. Depots need a Transport Collection Fee to successfully pick up from all retailers and commercial accounts. Paying a Transport Fee from All retailers will strengthen Principle 2 f. "treat all brand owners equitably" and 2 g. "transparency in all its operations". A province-wide Transport Collection Fee will reduce retailers’ refusal to refund and/or landfilling containers, reduce Collection discounting, and help Encorp meet their Recovery Rate Targets.</p>	<p>Depot handling fees make up the largest cost component of managing the product. Handling fees exceed \$50 million annually and account for 68% of the total variable cost.</p> <p>Depot handling fees are negotiated every five years. The setting of handling fees involves a nearly year-long process, which was followed both in fiscal 2010/2011 and in the recent negotiation (2016) and provides the basis for the handling fee agreement. The process is set out in Section 9 of the plan amendments.</p> <p>The resulting fees are the highest paid to depots by any container deposit system operator in Canada and the United States of America. Handling fees are paid to depots every Friday via electronic funds transfer.</p> <p>Some comments in this category relate directly to individual, confidential commercial contract details and we are unable to disclose the specifics of them in this forum. The various descriptions and conclusions presented are not reflected accurately and Encorp ensures the public that the damaging comments related to Encorp being in violation of the regulation has been falsely stated.</p>
<p><b>2.4 Data Analytics</b></p>	
<p><b>Question / Comment</b></p>	<p><b>Encorp Response</b></p>
<p><i>(From Metro Vancouver)</i> Formalize the collection of data, including product pathways that are not directly managed by the stewardship program.</p>	<p>Establishing ways to formalize the data, substantiating the volume of containers within these pathways and implementing action plans to recover these containers is a goal we strive to</p>

*(From Isabelle Faucher, Carton Council Canada)* I believe it would make sense for Encorp to work with Recycle BC to determine the approximate return of deposit containers through their system, so these can be credited back to Encorp's performance.<sup>14</sup>

reach. We already have an agreement and statistical sampling procedure in place with Recycle BC that has proven to be successful.

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<sup>14</sup> Encorp's "real time" response to this webinar/public session question can be found in Reference Document D on page 46.

**Table 3: Consultation Matters and General Comments**

3.1 Process and Structure of the Consultation Process	
Comment	Encorp Response
<p><i>(From Andrew Doi, Metro Vancouver)</i> I understand the scope of the consultation was around updating the performance targets, but I find the approach to use the basis of the updated Plan that had been written for a different time period difficult to piece together as a stakeholder. While I am not opposed to having a basis of a plan with parts that are updated subject to consultation, I think that it would be a lot clearer for stakeholders if the base plan was not written for a specific time period, but rather spoke to ongoing efforts. The original approach is awkward for stakeholders providing feedback because there is not a modular plan that we can comment on; it is more of a historical document that has part of it being documented.<sup>15</sup></p> <p>Although the scope of consultation for the Encorp Pacific Proposed Amendments to Program Targets was clear, the adopted approach of adding an addendum to the 2014-2018 Stewardship Plan is problematic. In particular, the prior plan was written for a specified term and includes material which is no longer relevant, such as the historic mix of container materials, consumer awareness and commentary about a depot capacity creating a challenge for the program. A preferable approach would have been to re-draft the stewardship plan as an enduring document, based on a modular approach, which would facilitate future updates and consultation on performance measures and other changes, if required.</p>	<p>The BC Ministry of Environment approved Encorp's first five-year stewardship plan in 2007. Our second plan, covering 2013-2017, was approved in 2014. In 2017 Encorp applied to the Director and was approved to continue operating under the current plan with no changes except to update program performance targets and to address certain policy items that have been introduced since the approval of the current plan. The consultation process was set up to clearly identify the proposed changes to the performance targets and the additional section required.</p>
3.2 Other Comments	
Comment	Encorp Response
<p><i>(From Sue Maxwell, Whistler, BC)</i> Thank you for the opportunity to comment on your plan. In general, the program is operating well, and I commend Encorp for having recovery targets by material.</p>	<p>Encorp sincerely thanks everyone participating in Encorp's consultation process on the proposed performance targets and other amendments to the approved plan. The questions, comments and concerns have provided us with valuable insights that have been taken into consideration when preparing our final submission to the Ministry of Environment and Climate Change Strategy for their approval.</p>
<p><i>(From ABD Solutions Ltd.)</i> ABD has been working with Encorp since 2005, our experience of which has been nothing short of exceptional. As an organization Encorp has consistently demonstrated a high level of commitment to ensuring the success of our business. They deliver</p>	

<sup>15</sup> Encorp's "real time" response to this webinar/public session question can be found in Reference Document D on page 49.

on their promises, exercise great communication and manage projects with efficiency. Their culture has been one of support and guidance that has been invaluable to ABD throughout our many years working together...In conclusion I would like to offer ABD's full support for Encorp and its Stewardship plan moving forward. Speaking for our Company I can say we would not have the success we have had without the work and support of Encorp Pacific.

*(From Cascades Recovery+)* We are writing you in support of Encorp's initiatives including providing awareness and recycling of beverage containers. Cascades Recovery+ has been working with and providing processing services to Encorp since 1996 using many of our facilities located throughout BC. Cascades Recovery+ appreciates and values the infrastructure put in place through Encorp providing opportunities for employment within Cascades. Thank you for your time and attention to this matter.

*(From Central Island Distributors)* We totally support Encorp's network system and infrastructure. As an Encorp partner we are compensated fairly and receive payment in a consistent and timely manner. This allows us to grow our business. We started as a family with three working in the business and now we employ 87 people. We have built out entire business model around Encorp and allows us to reduce greenhouse gases by running less empty miles coming or going from our warehouses...In our opinion Encorp Pacific is the single most essential part of the beverage container deposit/return system in BC. The Encorp system of recycling is proven and well established. It is so successful, it is used in several of our Canadian Provinces. The fact that other countries looking to start a deposit/refund system ask to consult with Encorp for advice, would strongly suggest how successful and proven Encorp's recycling system is.

*(From Emterra Environmental)* It is with great pleasure that Halton Recycling Ltd. dba Emterra Environmental (Emterra) submits our letter of support for Encorp Pacific's (Encorp) Stewardship Plan and its targets...Since Encorp was established in 1994, Emterra has been committed to helping them achieve high used beverage container (UBC) recovery rates through a variety of Processing and Recycling of Used Beverage Container (UBC) contracts. During this time, we have found Encorp's level of professionalism and service delivery to be exemplary...The success and provincial reach (especially throughout the remote areas of BC) of Encorp's Bottle Depot – Return-It Centres has been integral to our ability to execute the operational demands associated with collecting other recoverable items covered under the Province's Printer Paper and Packaging Recycling Regulation. We hereby submit our letter of support for Encorp and look forward to being an active partner in their continuing success as a product steward. We are confident their structural, operational, and promotional strategies and initiatives will enable them to meet their 2018-2022 proposed performance targets.

*(From Merlin Plastics Supply Inc.)* Merlin Plastics Supply Inc. is a plastics recycler based in British Columbia and we are pleased to write this letter as a reference for Encorp Pacific (Canada). We have worked with Encorp since their inception in 1994. It is our view that Encorp services the community to an extremely high standard and provides consumers with an effective way to return containers. In support of this statement, we note that Encorp has achieved a remarkably high return rate; one of the highest rates we have seen across North America.

*(From United Concrete and Gravel)* We have enjoyed working with Encorp over the years and I believe it has been a good relationship for us both. As it is our responsibility at UCG to find a good recycling use for the containers we process we are proud to say that 100% of the containers we receive from the Encorp return - it program have an endless recycling loop because a lot of the new containers produced are filled in and or sold in B.C. and are returned for deposit and the journey begins all over again. Being involved in the industry and aware of other collection systems in the U.S. and Canada.

*(From Vanguard Bottle Depots Ltd.)* We are proud to be a supporting partner with Encorp. They are able to provide employment opportunities in an industry that is making such a difference in today's generation and setting the foundation for future generations.

*(From Brianne De Man, Bidders Project)* Overall, Bidders' Project is excited to see thoughtful, achievable goals proposed in the new stewardship plan.

## REFERENCE DOCUMENTS

### REFERENCE DOCUMENT D: WEBINAR CONSULTATIONS

The following table outlines the May 16, 2018 webinar registrants and attendees. A total of 18 individuals registered for the webinar. Of those, 13 attended the session.

#### Registrants and Attendees of the First Webinar Consultation

No.	Registrant Name	Organization	City, Province	Attended Webinar (Yes/No)
1	Alex Chan	Canadian Stewardship Services Alliance	Toronto, ON	Yes
2	Avery Bruenjes	Retail Council of Canada	Vancouver, BC	Yes
3	Blair Kennedy	Return It	Surrey, BC	Yes
4	Brianne Higo	Wasserman & Partners Advertising	Vancouver, BC	Yes
5	Clare Cassan	Owner of Depot Operator	Kelowna, BC	No
6	Corrine Atwood	BC Bottle and Recycling Depot Association	Delta, BC	Yes
7	Dan Dahl	Bottle Depot Victoria	Victoria, BC	Yes
8	Darcy Hipwell	Bottle Depot Victoria	Victoria, BC	No
9	Dennis Kinsey	CGS Ltd.	Maple Ridge, BC	Yes
10	Elena Zevakhina	Return It	Burnaby, BC	Yes
11	Isabelle Faucher	Carton Council Canada	Toronto, ON	Yes
12	John Fox	Ministry of Environment and Climate Change	Toronto, ON	Yes
13	Jordane Ferron	Retailer	Boucherville, QC	Yes
14	Louise LeBoutillier	BC Ministry of Environment	Victoria, BC	Yes
15	Mark Kurschner	Product Care Association	Vancouver, BC	No

No.	Registrant Name	Organization	City, Province	Attended Webinar (Yes/No)
16	Mickey Ho	Wasserman & Partners Advertising	Coquitlam, BC	No
17	Neil Antymis	Encorp Pacific Director and PepsiCo Beverages Canada employee	Calgary, AB	No
18	Robyn Cooper	Sunshine Coast Regional District	Sechelt, BC	Yes

The table on the following page summarizes the question and answer portion of this web-based consultation.

### Questions and Comments Obtained Through the First Webinar Consultation

No.	Name	Organization	City, Province	Question / Comment	Encorp Answer
1	Isabelle Faucher	Carton Council Canada	Toronto, Ontario	How is "convenient" consumer access defined? Is it a driving time of 30 minutes or less?	We start by using the SABC standard, which defines the rural drive time as 45 minutes and the urban as 30 minutes. We then map out every Return-it Depot, Major grocery store and all liquor stores throughout the province. we reduce the population base for rural areas to 3000. The result is that the farthest collection point in rural area is 45 minutes, however the majority are about 30 minutes and in urban areas the farthest collection point in 30 minutes, however in most cases it is less than 15 minutes.
2	Corrine Atwood	BC Bottle and Recycling Depot Association	Delta, British Columbia	What percentage of the recovery rate was through Return-It Bottle Depot collection, and what percentage of the recovery rate was through Recycle BC?	About 90% of containers are returned through Return-It depots. While, we cannot disclose any company or depot specific details due to confidentiality I can tell you that the remainder of containers are collected mainly through the retail locations and a very small percent from other sources
3	Isabelle Faucher	Carton Council Canada	Toronto, Ontario	I would suggest that accessibility based on walking distance (as opposed to driving) be looked at for urban environments.	We do not have a way, such as through Google, to properly assess the walking distance and have not determined the need at this time, especially in rural areas. But it is something we will consider and look at in the future.
4	Corrine Atwood	BC Bottle and Recycling Depot Association	Delta, British Columbia	The third-party consultant hired by Encorp for the handling fee review did not determine new handling fees for depots. What methodology was used to determine the handling fees that were offered?	<p>The study was important but presents only one input into the determination of handling fees. In the detailed briefing document, we describe more of the metrics that were involved but, of course, things like consumer price increases, past and anticipated increases in the minimum wage rate (which does have an effect obviously on depots), and various other factors as laid out were considered.</p> <p>Ultimately the determination of the fees that were offered is part of a normal negotiating process. We put out an offer and seek the acceptance of that offer by the other party, there was some back and forth during that process. The MNP study was one part of that process; one input into it. There were a variety of other factors, and obviously depots took their own interpretation of past and future events into whether or not they felt the</p>

No.	Name	Organization	City, Province	Question / Comment	Encorp Answer
					offered fees were acceptable in the end. We have five-year agreements in place that will take us through to the end of this plan period
5	Isabelle Faucher	Carton Council Canada	Toronto, Ontario	I believe it would make sense for Encorp to work with Recycle BC to determine the approximate return of deposit containers through their system, so these can be credited back to Encorp's performance.	<p>We have talked about this quite a bit over the past few years, and we do have an agreement with Recycle BC where they count the materials collected. We have a system of statistical sampling in place and those containers are now included in our recovery rate.</p> <p>An additional comment that relates back to the earlier question: well over 90% of material comes through Return It depots, obviously a small percentage comes through return-to-retail. I think by simple math, you can understand that the material that goes through the blue box system is surprisingly small. It is not the solution to the recovery rate, and never was.</p> <p>It is in the IC&amp;I sector. In fact, where a lot of material is properly recycled, but we do not get to take credit for or count in our recovery rate. We would like to see some method by which those materials can be counted or extracted and credited to us since they are getting properly recycled in most cases through the same processors that we are using. So that is on our radar, absolutely.</p>

The following table outlines the June 12, 2018 webinar registrants and attendees. A total of 13 individuals registered for the webinar. Of those, 12 attended the session.

#### Registrants and Attendees of the Second Webinar Consultation

No.	Registrant Name	Organization	City, Province	Attended Webinar (Yes/No)
1	Erin Blaney	Regional District of Kitimat Stikine	Terrace, BC	Yes
2	Jamie Benton	Fraser Valley Regional District	Chilliwack, BC	Yes
3	Louise LeBoutillier	BC Ministry of Environment & Climate Change Strategy	Victoria, BC	Yes
4	Andrew Doi	Metro Vancouver	Burnaby, BC	Yes
5	Carmen Fennell	Columbia Shuswap Regional District	Salmon Arm, BC	Yes
6	Laura Zapotichny	Regional District of Fraser-Fort George	Prince George, BC	Yes
7	Jennifer Ivan	Comox Valley Regional District	Comox Valley, BC	Yes
8	Marc Sole	Squamish-Lillooet Regional District	Pemberton, BC	Yes
9	Alda Nicmans	BCPSC	Langley Township, BC	Yes
10	Elaine Wiebe	Regional District of Bulkley-Nachako	Burns Lake, BC	Yes
11	Martin Dickson	Thompson-Nicola Regional District	Kamloops, BC	Yes
12	Tera Grady	Cariboo Regional District	Williams Lake, BC	Yes
13	Tim Dueck	Regional District of Kootenay Boundary	Trail, BC	No

The table on the following page summarizes the question and answer portion of this web-based consultation.

### Questions and Comments Obtained Through the Second Webinar Consultation

No.	Name	Organization	City, Province	Question / Comment	Encorp Answer
1	Andrew Doi	Metro Vancouver	Burnaby, BC	In the 2014-18 Plan, under Performance Targets - Consumer Access, the Plan speaks to maintaining the population to depot ratio at current levels. Can Encorp provide an update on this ratio?	The ratio has remained the same. In that Plan, we have had a few depot closures and openings during that time. Generally, we currently have the same number of locations as we did when we developed that Plan. So that target/ratio is going to remain unchanged in the new Plan.
2	Andrew Doi	Metro Vancouver	Burnaby, BC	In the 2014-18 Plan, it speaks to improving consumer access in Metro Vancouver, can Encorp provide an update on new depots and innovative collection methods?	<p>We have opened a few new depots since that time. For example, one in White Rock, and we have also set up a pilot Return-It Express Depot in Yaletown. We are continuously looking at rolling out our new express depot service that provides more convenience to consumers, enabling them to gather a mixed bag of containers, label it with their account number, and leave it at the depot. The depot then counts it on their off time and credits that person's account with the deposit refund. That is just one of the convenience levels that we are providing.</p> <p>We also continue to look at the implementation of RVM machines in depots to provide further convenience. We always looking at innovative ways to get more depots in, or piloting alternative types of services in the Metro Vancouver area.</p>
3	Erin Blaney	Regional District of Kitimat Stikine	Terrace, BC	Has there been any R&D progress on the recycling of the pouches (like Capri Sun juice drinks)?	Yes, there has. We now have a contract in place with Tetra Tech to recycle our pouches into plastic lumber and pressed board. They are mixing them in with the other containers so that it is a blend.
4	Andrew Doi	Metro Vancouver	Burnaby, BC	The 2014-18 Plan, under Performance Targets - Recovery Rate, includes a 5-year average performance of 79%. Did the 5-year average factor into setting of performance targets for that Plan?	Yes, it did. We were highly optimistic when we set those targets in place. At that point in time, the economy was forecasted to be less strong than it is now. For the targets in 2018 – 2022, we have not used that average as we feel the actual targets are more meaningful and measurable. We have set targets that we feel are attainable based on the history that we have from the recovery rates to date and forecasting of economic trends.
5	Elaine Wiebe	Regional District of Bulkley-Nachako	Burns Lake, BC	Has any consideration been given to raising the deposit rates?	That is one of the things we can consider when we look at recovery rates. At this point in time, we do not feel that it is necessary.

No.	Name	Organization	City, Province	Question / Comment	Encorp Answer
6	Jamie Benton	Fraser Valley Regional District	Chilliwack, BC	Would Encorp consider getting behind the Binners' project in Vancouver and consider whether this is a potential pilot for other areas of BC to increase recovery rates?	Yes. In fact, Encorp has signed a two-year deal to sponsor the Binners' project. They are doing a case study right now to see whether they are covering more ground and collecting more containers. Anna is going to write a report once that pilot is completed. We have helped sponsor them to get into new IC&I sector and we also provide free collection bins to help them supplement their collection.
7	Andrew Doi	Metro Vancouver	Burnaby, BC	Since the 5-year average was used for the previous Plan, the new target appears to be based on 2017, which Encorp says was a difficult year. Would Encorp consider using the 5-year average again for the basis of performance targets?	We do not feel the five-year average would be a suitable way to measure performance. We used 2017 as the benchmark because the history, trends and economic outlook is similar to that year. The recovery rate has been slowly declining over the last 5 years.
8	Andrew Doi	Metro Vancouver	Burnaby, BC	<i>Audio comment:</i> I understand the scope of the consultation was around updating the performance targets, but I find the approach to use the basis of the updated Plan that had been written for a different time period difficult to piece together as a stakeholder. While I am not opposed to having a basis of a plan with parts that are updated subject to consultation, I think that it would be a lot clearer for stakeholders if the base plan was not written for a specific time period, but rather spoke to ongoing efforts. The original approach is awkward for stakeholders providing feedback because there is not a modular plan that we can comment on; it is more of a historical document that has part of it being documented.	Thank you for your comment regarding the process. After discussion and confirmation with the Ministry, we applied to have the current approved Plan remain as there are no substantial changes required other than updating the performance targets and adding any newly developed criteria that have been added to the submission checklist. I do thank you for that comment and it is noted.

## REFERENCE DOCUMENT E: IN-PERSON CONSULTATION

The following table outlines the public consultation attendees. A total of 12 individuals attended the consultation.

### Attendees of the In-Person Consultation

No.	Attendee Name	Organization
1	Mark Kushner	Product Care
2	Mannie Cheung	Product Care
3	Tamara Burns	Recycle BC
4	Mike Ross	Outdoor Power Equipment
5	Teresa Conner	Ministry of Environment
6	Tim Duchene	Regional District of Skeena Queen Charlotte
7	Megan Haley	Regional District of Kitimat Stikine
8	Tracy Weldon	City of Burnaby
9	Undisclosed	City of Surrey
10	Lauryn Day	Peace River Regional District
11	Greg Wilson	Retail Council of Canada
12	Blair Kennedy	Encorp Pacific

The table on the following page summarizes the question and answer portion of the in-person consultation.

### Questions and Comments Obtained Through the In-Person Consultation

No.	Name	Organization	Question / Comment	Encorp Answer
1	Megan Haley	Regional District of Kitimat Stikine	<p>Some of our communities are very small and remote. We have 9 or 10 First Nation communities which are collecting beverage containers at their sites. Currently they use the money from the refundables to pay for the shipping of Packaging and Printed Paper (PPP) materials. That's our challenge...</p> <p>What are the possibilities for establishing bottle depots?</p>	<p>Sandy: We consider any community that can prove they can sustain a viable depot business. Generally, in small remote locations, the business needs to have other income to sustain itself. We start by looking at the business plan. If there is an existing business that can show how they can operate within the small population base it may work. Otherwise we look to see if there are other options for partnerships or ways to help facilitate the collection of the beverage containers and provide the deposit refund.</p>

## REFERENCE DOCUMENT F: ONLINE SUBMISSIONS

The public consultation process took place from May 8, 2018 to June 22, 2018. Stakeholders were provided the opportunity to comment and pose questions regarding Encorp's proposed amendments and 2018-2022 performance targets through:

- Online submissions, from May 8, 2018 to June 22, 2018, through [www.returnit.ca/consultation2018](http://www.returnit.ca/consultation2018). During this timeframe, the website had 296 visitors (by IP address) and 712 hits. The total number of downloads, by document, was:
  - 148 downloads of the briefing document.
  - 113 downloads of the approved plan.
  - 103 downloads of the consultation timeline.
- Submissions through a direct email ([consultation2018@returnit.ca](mailto:consultation2018@returnit.ca)), from May 8, 2018 to June 22, 2018. It should be noted that a few email submissions were received after the June 22<sup>nd</sup>, 2018, end date for the formal consultation process, and these have also been included in this appendix.

**Tables 1, 2 and 3** in the main report summarize the feedback obtained through the consultation period, including the feedback gathered through online and direct email submissions. All comments listed in these tables have been copied verbatim to accurately represent the breadth and variety of input and feedback from stakeholders. Some spelling and minor grammatical errors along with typos have been corrected for clarity. Any comments related to products or programs that are not part of the Encorp stewardship program, or are broader public policy issues, have been included in the summary but were not wholly addressed.

The following pages include the commentary and letters received by Encorp online and through email.



5 Capilano Way, New Westminster, B.C. V3L 5H2  
 Phone:(604) 444-3443  
 www.abdsolutions.ca

To: B.C. Ministry of Environment Encorp Pacific Stewardship Plan Consultation  
 Cc: Encorp Pacific (Canada)

**Re: LETTER OF REFERENCE**

To Whom It May Concern:

I am writing this letter of reference in support for Encorp Pacific (Canada), and its proposed Stewardship plan including its past and future initiatives.

Our Company, ABD Solutions Ltd. specializes in the collection, sorting, accounting and rebate of beverage containers to commercial customers throughout the Greater Vancouver Area. We operate a small fleet of trucks and manage a sort facility based in New Westminster.

ABD has been working with Encorp since 2005, our experience of which has been nothing short of exceptional. As an organization Encorp has consistently demonstrated a high level of commitment to ensuring the success of our business. They deliver on their promises, exercise great communication and manage projects with efficiency. Their culture has been one of support and guidance that has been invaluable to ABD throughout our many years working together.

In its infancy ABD recognized there was an unmet need within the hospitality industry for a clean, consistent and professional collection service, Encorp recognized that need as well. As a fledgling business the infrastructure and support provided by Encorp allowed ABD to grow from a small 3-person organization with 20 customers to being able to provide full-time employment to 15 people and service to over 300 commercial locations throughout Greater Vancouver. The high level of public brand awareness of Return-it has also created great exposure for ABD within the commercial market. By co-branding with the Return-it name ABD has been able to grow its business through the recognition and confidence provided by the Return-it brand. I am proud to say that we supply both needed and essential service to the top B.C. restaurant brands and many other public and commercial organizations.

In conclusion I would like to offer ABD's full support for Encorp and its Stewardship plan moving forward. Speaking for our Company I can say we would not have the success we have had without the work and support of Encorp Pacific.

Please feel free to contact me directly if you have questions.

Kind regards,

Andrew Haley  
 President  
 ABD Solutions Ltd.

## Adanac Recovery Ltd.

4261 Glanford Ave  
 Victoria, BC, V8Z 4B9  
 Phone: (250) 727-7480  
 Fax: (250) 727-7489



June 21, 2018

Dear Sir or Madam,

Thank you for the opportunity to provide input on Encorp's future Stewardship Plan.

Encorp was once a leader in North America for Beverage Container Recovery. As a Depot Operator we are disappointed that our container return volumes have been stagnant for the past number of years. We have a sincere desire to work with Encorp to succeed in obtaining higher *Recovery Rate Targets*.

If Encorp wants to increase their Recovery Rate, Encorp should allow all service providers (including Depots) to pick up containers from retailers, at the same province wide rate (\$0.02 per container), thus establishing a level playing field. Many retailers are turning away consumers, refusing to provide consumers a refund, and/or landfilling containers because they do not have the storage space or are not receiving frequent enough pick up service.

We currently operate three Authorized Encorp Depots in the Capital Regional District. Within the last ten years we mortgaged properties for two of our Depots. We pay ludicrous property taxes of over \$7000 per month per one Depot.

Since we assumed these mortgages and property tax commitments, Encorp has reduced many of our revenue streams, which substantiated our property purchases and overhead expenses.

Below is one of the reductions we have been forced to sustain:

In 1994 Coca-Cola and Encorp encouraged us to collect containers from retailers. Encorp paid us a per bag transport fee.

We established a customer base and developed accurate accounting and payments to retailers and to other commercial accounts.

After signing a new five-year handling fee agreement, in 2017, Encorp removed this transport revenue by continuing with their repetitive redirection of our transport revenues to Central Island Distributors (CID).

The repetitive reduction of our transport revenue results in Encorp paying over 25% more for the exact same transport services.

This contravenes Encorp's Program Principles Section 2 c. "*Manage the system in a cost effective manner*".

To defend their unreasonableness, I believe Encorp provided misinformation when stating that CID was both a Transporter and Processor for Encorp.

● Page 2

June 21, 2018

Encorp pays other non-depot Collectors on the lower mainland the same handling fee as Depots receive, plus a \$0.02 per container Transport Collection Fee. This \$0.02 container Transport Collection Fee is higher than the per bag fee we were being paid. This contravenes Program Principles 2 g. "*provide a high degree of transparency in all its operations*".

Encorp is aware these non-depot Collectors discount the refunds paid to commercial accounts. It is also known that some smaller retailers and commercial businesses landfill beverage containers. The discounting and/or landfilling of deposit containers is in violation of the *Beverage Container Stewardship Regulation*.

Depots not being able to productively pick up retailers has caused retailers (ie: 7-11, Mac's and many other retailers) to refuse to refund the beverage containers that they sell. This also contravenes and is in violation of the *Beverage Container Stewardship Regulation*.

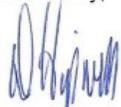
Encorp has recently contracted to pay Depots to transport containers from Save-On Foods. Depots need a Transport Collection Fee to successfully pick up from all retailers and commercial accounts.

Paying a Transport Fee from All retailers will strengthen Principle 2 f. "*treat all brand owners equitably*" and 2 g. "*transparency in all its operations*".

A province-wide Transport Collection Fee will reduce retailers refusal to refund and/or landfilling containers, reduce Collection discounting, and help Encorp meet their *Recovery Rate Targets*.

Our input is submitted with the desire to work together with Encorp to increase efficiencies through operational improvements and performance, achieving higher recovery rates in BC.

Yours Truly,



D'Arcy Hipwell

cc. Ministry of Environment

777 Bay Street - Suite 2902 - PO Box 133 - Toronto, ON M5G 2C8



Toronto, June 12<sup>th</sup> 2018

Ms. Sandy Sigmund  
V.P. Development & Chief Marketing Officer, Encorp Pacific  
100 - 4259 Canada Way, Burnaby, BC

**Object: Proposed Amendments to Encorp's Program Targets in Approved Stewardship Plan under Section 6 of the Recycling Regulation**

Dear Sandy,

Thank you for the opportunity to comment on Encorp's 2018-2022 program targets.

We would like to commend Encorp for operating a very successful beverage container deposit return system in British Columbia.

As you know, the mission of the Carton Council of Canada is to deliver long-term collaborative solutions with multiple stakeholders in the value-chain in order to divert cartons from disposal. In order to measure our progress, we rely on the publicly available information provided by the deposit and multi-material stewardship agencies in each Canadian jurisdiction. Encorp's yearly performance reporting through its annual report, allows us to track the performance of those beverage cartons that are managed in the deposit system.

With regards to the proposed targets pertaining to gable top and aseptic containers (i.e. Drink Boxes), we are generally supportive of those put forward in the public consultation document.

Given the large volumes of cartons that are consumed out-of-home, in particular drink boxes that are consumed in schools, we would welcome the opportunity to partner with Encorp in order to grow the capture of cartons from this segment.

In closing, CCC commends Encorp Pacific for the quality of the consultation process that it has led to date, and we look forward to continuing the work to advance the recovery of beverage cartons in British Columbia.

Regards,

Isabelle Faucher  
Managing Director,  
Carton Council of Canada



SIG Combibloc





**CASCADES RECOVERY+**  
 a division of Cascades Canada ULC  
 12345 104th Avenue  
 Surrey, (BC) Canada V3V 3H2  
 Telephone: 604.589.7833

June 6, 2018

PO Box 9047 Strn Prov Govt  
 Victoria, BC V8W 9E2  
 Via email: [env.minister@gov.bc.ca](mailto:env.minister@gov.bc.ca)

Dear B.C. Ministry of Environment:

**RE : Encorp Pacific Stewardship Plan Consultation**

We are writing you in support of Encorp's initiatives including providing awareness and recycling of beverage containers.

Cascades Inc. is built on the concept of resource recovery, resource return and has operated with this mindset since its inception in 1964. The Circular business model has flourished with the full integration of the Recovery Operations into the Cascades family, allowing Cascades to strengthen its presence in the marketplace and focus on the development of sustainable products and packaging that can be collected, processed and returned as resources. The history of Cascades Recovery+ division is diverse and founded on hard work and commitment to a sustainable future.

Cascades Recovery+ has been working with and providing processing services to Encorp since 1996 using many of our facilities located throughout BC. Cascades Recovery+ appreciates and values the infrastructure put in place through Encorp providing opportunities for employment within Cascades.

Thank you for your time and attention to this matter.

Sincerely

Brandon Rogers  
 Regional General Manager, BC and Edmonton Operations

CC: Encorp Pacific 100-4259 Canada Way, Burnaby, B.C. V5G 4Y2

**Nanaimo Branch**  
2050 Balsam Road  
Nanaimo, BC V9X 1T5

**Tel:** (250) 716-8855  
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Sidney, BC V8L 5S9

**Tel:** (250) 544-8866  
(800) 644-3883  
**Fax:** (250) 523-3389

Attention:  
BC Ministry of Environment  
Encorp Pacific Stewardship Plan Consultation

June 9, 2018

Central Island Distributors is a freight and warehousing company that provides transportation services to Encorp Pacific (Canada) Ltd. We collect used beverage containers from all Return-It Centers on Vancouver Island and deliver them to the Encorp processors. At our warehouses in Nanaimo and Victoria we crossdock, weigh and document glass containers for delivery by us to the end processor in Abotsford BC.

We designed the initial transportation plan for Vancouver Island in 1994 and have made several improvements over the past 24 years. We provide a full audit trail. We look forward to continuing our relationship well into the future.

We wholly support Encorp's many initiatives including those of audit and control to prevent fraud and especially the public awareness initiatives that the public constantly views on television and many other levels of media. Continuously keeping the BC residents informed and aware of our premier deposit/refund system here in BC.

We totally support Encorp's network system and infrastructure. As an Encorp partner we are compensated fairly and receive payment in a consistent and timely manner. This allows us to grow our business. We started as a family with three working in the business and now we employ 87 people. We have built our entire business model around Encorp and allows us to reduce greenhouse gases by running less empty miles coming or going from our warehouses.

In our opinion Encorp Pacific is the single most essential part of the beverage container deposit/return system in BC. The Encorp system of recycling is proven and well established. It is so successful, it is used in several of our Canadian Provinces. The fact that other countries looking to start a deposit/refund system ask to consult with Encorp for advice, would strongly suggest how successful and proven Encorp's recycling system is.

Alex Dugan - President

A handwritten signature in black ink, appearing to read "Alex Dugan", with a long horizontal line extending to the right.



Thinking innovatively  
Transforming waste to resources

June 22, 2018

B.C. Ministry of Environment  
Encorp Pacific Stewardship Plan Consultation  
PO Box 9047 Stn. Prov. Gov.  
Victoria, BC, V8W 9E2

To Whom It May Concern:

**RE: Letter of Support for Encorp Pacific (Canada) Stewardship Plan**

It is with great pleasure that Halton Recycling Ltd. dba Emterra Environmental (Emterra) submits our letter of support for Encorp Pacific's (Encorp) Stewardship Plan and its targets.

Emterra has been providing commercial and municipal recyclables, garbage and organics collection, and recyclables processing services, since 1976. The depth of our experience in the industry allows us to be a leader in waste diversion and recovery in Canada, where we:

- Service over 80 communities representing 10% of Canada's population through multiple municipal and commercial recycling, solid waste, and yard waste and organics collection contracts, and through post-collection recycling and material recovery contracts.
- Collect and process over 500,000 tonnes of recyclables each year.
- Own and operate over 700 collection vehicles.
- Employ over 1000 people.

Since Encorp was established in 1994, Emterra has been committed to helping them achieve high used beverage container (UBC) recovery rates through a variety of Processing and Recycling of Used Beverage Container (UBC) contracts. Our current Encorp contracts in British Columbia (Kamloops, Nanaimo, Chilliwack, and Surrey) receive and process 7,000,000 kg of used beverage containers annually.

The Emterra BC locations employs over 25 full-time equivalent positions.

During this time, we have found Encorp's level of professionalism and service delivery to be exemplary. Specifically, we have found that their ongoing public education and awareness campaigns have supported a reduction in the volume of UBCs collected at curbside, while simultaneously we've seen the volume UBCs received and processed through their Bottle Depot - Return-it Centres remain strong.

The success and provincial reach (especially throughout the remote areas of BC) of Encorp's Bottle Depot - Return-it Centres has also been integral to our (as a partner in Green by Nature) ability to execute the operational demands associated with collecting other recoverable items covered under the Province's Printed Paper and Packaging Recycling Regulation.

Halton Recycling Ltd. dba Emterra Environmental

304 John Street • Victoria • British Columbia • V8T 1T3 • P: 250.385.4399 • F: 250.385.4388 • [www.emterra.ca](http://www.emterra.ca)



Thinking innovatively  
Transforming waste to resources

We hereby submit our letter of support for Encorp and look forward being an active partner in their continuing success as a product steward. We are confident their structural, operational, and promotional strategies and initiatives will enable them to meet their 2018-2022 proposed performance targets.

For more information or clarification, please contact:

- Emmie Leung, Director and CEO; email: [emmie.leung@emterra.ca](mailto:emmie.leung@emterra.ca); phone: 604-866-9761
- Ed Walsh, VP of Operations, BC; email: [ed.walsh@emterra.ca](mailto:ed.walsh@emterra.ca); phone: 250-268-2400

Sincerely,

**Halton Recycling Ltd. dba Emterra Environmental**

A handwritten signature in black ink, appearing to read "Ed Walsh", is written over a light grey rectangular background.

**Ed Walsh**  
VP Operations, BC

Halton Recycling Ltd. dba Emterra Environmental

304 John Street • Victoria • British Columbia • V8T 1T3 • P: 250.385.4399 • F: 250.385.4388 • [www.emterra.ca](http://www.emterra.ca)

**Janice Song, Bottle Depot Operator**

**RE: Recovery Rate Targets**

I also believe that during periods of economic growth, the recovery rate will most likely decrease. For the future investment in automation is crucial, so the recycling experience can be much easier and more efficient. Another way to attract more people is to increase the deposit that is given per container. If the deposit fee was to be increased, it would attract a wider demographic of people to the depots.

Attn: BC Ministry of Environment Encorp Pacific Stewardship Plan Consultation  
June 20, 2018

Hello,

My name is Jay Son, President of KARMA

I'm writing this letter on behalf of KARMA(Korean Association of Recycling Movement Alliance), a group of 75 Korean depot operators in British Columbia.

This letter is to help you understand the experiences many operators had working with Encorp Pacific with their businesses. Depots are retail level service provider for Encorp facing average consumers on daily basis. Out of all their services providers for Encorp, depots are the one Encorp spend most of their time helping their service providers.

Encorp and depots have been in working as partners for last 25 years. We strongly believe that we have been built strong recycling network infrastructure for last 25 years.

Locations of depots cover majority of areas in BC based on population and driving distances, and Encorp played key role with their statistics and data. They had logical strategies to expand number of depots, and it has convinced many of new depot operators or existing operators. For last two decades, we have many success stories.

Expanding number of depots would not be sustainable without customer awareness which leads to more business. Encorp Pacific helps new businesses or existing businesses in multiple ways from promoting business to increasing overall efficiency of depot workload.

They have held many trade shows and staffs been easily reachable. As a result, many of depot operators have been willing to open new depots. Expanding their businesses also help strengthen recycling infrastructure for last two decade. It is beneficial for general consumers, too.

All of our members are immigrants and they do not have many resources when it comes to handling difficulties about running a business, without Encorp's help all of us agree that it would be much harder to be in this industry. Majority of depots have contractual relationship with other stewardship. Experiences with Encorp is far superior than all other stewardship in BC and all of KARMA members agree. Any of KARMA members will be more than happy to tell you with their experiences.

I hope this letter help you to understand what Korean depots had experienced with Encorp and our members are looking forward to working with Encorp many years to come.

Thank you for your time and consideration

Best,

A handwritten signature in black ink, appearing to read 'Jay Son', with a stylized flourish at the end.

Jay Son

President, KARMA

Korean Association of Recycling Movement Alliance



**Merlin Plastics**

Unit 109 - 917 Cliveden Avenue  
Delta BC V3M 5R6 CANADA  
Tel: 604 522 6799 | Fax: 604 522 6791  
www.merlinplastics.com

June 30, 2018

BC Ministry of Environment  
Encorp Pacific Stewardship Plan Consultation  
PO Box 9047 Stn. Prov. Gov.  
Victoria BC V8W 9E2

Dear BC Ministry of Environment:

Merlin Plastics Supply Inc. is a plastics recycler based in British Columbia and we are pleased to write this letter as a reference for Encorp Pacific (Canada).

Merlin Plastics Supply Inc. – Background – Merlin Plastics was founded in the late 1980s and was fortunate to obtain an initial loan from the BC Ministry of Environment through their recycling partnership program. With such loan, we built a recycling plant to recycle plastic beverage containers, specifically starting with milk jugs with an annual volume of approximately 2 million pounds out of our then 2,000 square foot facility. We have been in business continuously since the late 1980s to now to become the largest processor of containers on the West Coast recycling well over 100 million pounds per year. We recycle a variety of plastic beverage containers out of our two facilities that comprise over 300,000 square feet. This growth has largely been due to the strong environmental policies and leadership of the BC Ministry of Environment which helped create and nurture well run stewardship organizations such as Encorp.

Service we provide to Encorp – we are a subcontractor to Encorp and buy from them returned containers. We then sort the containers and recycle them in accordance with the environmental laws and regulations in BC.

Our History with Encorp - We have worked with Encorp since their inception in 1994. It is our view that Encorp services the community to an extremely high standard and provides consumers with an effective way to return containers. In support of this statement, we note that Encorp has achieved a remarkably high return rate; one of the highest rates we have seen across North America. Encorp's initiatives definitely make consumers aware of the ability to recycle beverage containers and when and where this can be done as evidenced by the high rate of return achieved in BC.

Infrastructure - Merlin believes that Encorp has provided the infrastructure necessary for the community to return containers and keep them out of the landfills and our waterways. They provide the consumer with the opportunity to bring the containers back for refund. And if the consumer is sloppy and chooses not to return it, then any other person who picks it up is also entitled to receive the refund deposit money and this all works to ensure the maximum number of containers are returned and recycled effectively.

Summary - We firmly consider Encorp to be an effective and responsible stewardship organization and one that is doing an effective job in BC. We wholeheartedly support their work.

Should you have any questions, we would be pleased to respond at your convenience.

Yours truly,

**Merlin Plastics Supply Inc.**



Tony Moucachen, President

cc: Encorp Pacific  
100 - 4259 Canada Way  
Burnaby BC V5G 4Y2

## Metro Vancouver Staff Comments – EPR Plan Renewals (Spring 2018)

### Comments for All EPR Programs:

- **Data Collection.** Formalize the collection of data, including product pathways that are not directly managed by the stewardship program.
- **Options for Local Government.** All EPR programs should develop arrangements for local governments who receive, or pick-up illegally dumped material, to be paid for managing and handling this material, whether or not the facility is designated as a depot. Local governments, generally, do not seek to compete with private depot operators, yet still receive this material from residents and businesses. (Stewardship Agencies of BC members should consider a study to find out the root causes for people who dump illegally, who bring materials to transfer stations even when there are permanent depots available, prefer 'round-up' events to permanent depot locations, and 'hide' banned materials in residential loads. Such a study is recommended to include possible solutions to address these issues, such as enhanced collection models that go beyond the drop-off approach (depot model), and illegal dumping cost recovery models for local government, similar to the program implemented by producers in California.)

### Encorp Pacific Proposed Amendments to Program Targets (Deadline: June 22, 2018)

#### Overall Comments:

- Encorp should be commended for its exceptionally high consumer awareness and consumer access achievements, its broad collection network, and leadership in adopting innovative new initiatives such as Return-It Express and Return-It Streetscape Bins.
- Although the scope of consultation for the Encorp Pacific Proposed Amendments to Program Targets was clear, the adopted approach of adding an addendum to the 2014-2018 Stewardship Plan is problematic. In particular, the prior plan was written for a specified term and includes material which is no longer relevant, such as the historic mix of container materials, consumer awareness and commentary about a depot capacity creating a challenge for the program. A preferable approach would have been to re-draft the stewardship plan as an enduring document, based on a modular approach, which would facilitate future updates and consultation on performance measures and other changes, if required.

#### Specific Comments:

- **Proposed Performance Targets – 2018-2022, Page 5:** In the 2014-2018 Stewardship Plan, Encorp developed a 5-year weighted average of 79% recovery in setting performance targets. In that plan, the target for 2017 was 81.5%, whereas the actual performance was 75.8%, or 5.7% below target. During consultation, Encorp representatives stated that a 5-year weighted average was not used in setting new (2018-2022) performance targets. We recommend that Encorp

determine a 5-year weighted average for 2013-2017, and use this average recovery rate as the basis for setting a new (2018-2022) recovery rate target.

- 2017 – 75.8%
  - 2016 – 78%
  - 2015 – 78.9%
  - 2014 – 79.1%
  - 2013 – 80.1%
- Proposed Performance Targets – 2018-2022, Page 5: The Proposed Amendments to Program Targets documents states that economic growth creates challenges for beverage container recovery. Further discussion of barriers and challenges is required to explain Encorp's rationale to establish a new collection rate target which is nearly 5% lower than the previous plan. In addition, Encorp should identify a series of specific actions that will be undertaken in order to reverse the recent trend of declining recovery rates.

**Paul Shorting, Bottle Depot Operator****RE: Consumer Awareness**

Encorp continues to run the same marketing programs every year. Lets get back to the basics at the retail level and educate with shelf hangers or do a pilot program for low return beverage containers. You may have a 95% consumer awareness however, there is a reason why many consumers do not recycle at the facilities.

**RE: Recovery Rate Targets**

The board of Encorp has the ability to increase deposit levels as .05 for the last twenty is not the same value. Alberta, Saskatchewan, Yukon and Oregon have all increased their deposit values with little or any public outcry. If Encorp truly wants to increase the decreasing recovery rate from the last several years lets move to a one level deposit. All operators want to work together and get back to being a leader in the beverage container industry.

Sue Maxwell

To Whom it May Concern,

Thank you for the opportunity to comment on your plan. In general the program is operating well and I commend Encorp for having recovery targets by material.

I just have a few areas that I feel could be strengthened:

1. Given the long standing nature of the program and the high level of awareness, the fact that recovery rates are not higher is concerning. I see in my area and hear from others elsewhere about the litter issues with beverage containers. I think the program should be advocating to the province to raise the deposit rates. The nickel is our smallest currency denomination and many surrounding jurisdictions have raised the minimum deposit to 10 cents already. I think it is key to ensure that the level of incentive that a deposit provides keeps up with the pace of cost of living increases or inflation to maintain its effectiveness. Ideally the rate keeps rising until the desired level of return is achieved.
2. The recovery rate targets should be higher -within five years all of them should be at least 75% as this program has had decades to work on this.
3. The regulation calls for only using refillable and recyclable containers as well as to move up the hierarchy. I do not see any actions planned to encourage the use of more refillable bottle and container types and to reduce the use of "recyclable" container types where much less of the material actually gets recycled (gable tops, pouches, tetrapaks).
4. While the report notes high levels of coverage, I am not sure how this is calculated. I know of at least one community where the depot closed due to inability to keep pace with increasing rent. I do not think that a 45 minute drive for smaller communities is appropriate, especially with the restrictions on return to retail. Increased return rates will happen when there are convenient options available to consumers (as convenient as buying the products in the first place). Levels of coverage that are adequate should be developed in consultation with the local governments.
5. Depot stability is important. In some jurisdictions, rent and costs are higher than elsewhere in the province. The program should look at the example of the oil program that had zones recognizing some of these higher costs. Once the need for depots has been established (as in 4 above) then the program should work to ensure required depots are established and if the costs are higher in a specific location, that those are covered. It should also be acknowledged that this program like most is a monopsony so having depots sign on is not necessarily an indicator of endorsement of the compensation levels but rather a necessity to stay in business. It should also be noted that this program has often been the first one with depots and that a depot for beverage containers often becomes the defacto hub for collection of other program products and so efforts should be made to create a critical mass of business to ensure depots are stable in communities.

I hope that these matters can be addressed and that this will make the Encorp program even stronger and a good example for jurisdictions and programs elsewhere.

Sincerely,

Sue Maxwell

9571 Emerald Dr

Whistler, BC



## United Concrete and Gravel

P.O. Box 4369  
 Quesnel, BC V2J 3J4  
 Office-250.992.7281  
 Fax-250.992.2138

### B.C. Ministry of Environment Encorp Pacific Stewardship Plan Consultation

P.O. Box 9047 Str. Prov. Gov.  
 Victoria B.C. V8W 9E2

#### To whom it concerns,

United Concrete & Gravel has been working with Encorp Pacific since 2002 as we would take Encorp glass from Prince George to crush into sandblast abrasive for our fledgling little abrasive manufacturing business.

In 2008 we increased our involvement substantially by being the successful respondents to an RFP issued by Encorp to process all of the deposit glass containers generated in the Lower Mainland of B.C. and since then we have added Vancouver Island as well.

We have enjoyed working with Encorp over the years and I believe it has been a good relationship for us both.

At our Abbotsford location we process in excess of 50,000 tonnes per year of deposit glass for Encorp Pacific.

We do some color sorting, then we crush and screen as well as mechanically remove the labels, metal, aluminum and other packaging extras that would otherwise contaminate the quality of glass. The finished product is called cullet.

In this cullet making process we employ about 45 people year-round which includes drivers for a fleet of trucks that transport the finished product to Seattle where Ardagh Glass melts the cullet and turns it into new beverage containers.

As it is our responsibility at UCG to find a good recycling use for the containers we process we are proud to say that 100% of the containers we receive from the Encorp return - it program have an endless recycling loop because a lot of the new containers produced are filled in and or sold in B.C. and are returned for deposit and the journey begins all over again.

Being involved in the industry and aware of other collection systems in the U.S. and Canada I believe we in B.C. through the Encorp program have a system and awareness that is second to none.

I believe it is Encorp's efficient and easy to use program as well as the number of return-it centres that allows for a very clean and effective way of container collection that contributes to a higher percentage of glass containers collected that are free of contaminants and kept from entering the garbage stream.

Sincerely,

**Wayne Elias**  
 Marketing Manager,  
 United Concrete and Gravel

Vanguard Bottle Depots Ltd  
1175 Derwent Way  
Delta, BC V3M5V9

June 19, 2018

B.C. Ministry of Environment  
PO Box 9047 Stn. Prov. Gov.  
Victoria, BC V8W 9E2

RE: Encorp Pacific Stewardship Plan Consultation

Reference letter for Encorp Pacific

Vanguard Bottle Depots Ltd is a local company providing transportation and consolidation services throughout the Lower Mainland. We have had a strong relationship with Encorp Pacific since 2002, and provide transportation and consolidation services for their beverage container management program, EOLE (End Of Life Electronics) program as well as offer support to their depot collection network.

Vanguard fully supports Encorp and their initiatives. Through public awareness and education, they have changed the way the public views recycling. And by building an efficient depot collection network, they have given the public convenient access to recycle their beverage containers.

We are proud to be a supporting partner with Encorp. They are able to provide employment opportunities in an industry that is making such a difference in today's generation and setting the foundation for future generations.



Jamie Giroux  
General Manager  
Vanguard Bottle Depots Ltd



## Vancouver Island Recycling and Waste Industry Coalition (VIRWIC)

June 20, 2018

To: Encorp Pacific

### **Re: Stewardship Plan Consultation**

The Vancouver Island Recycling and Waste Industry Coalition (VIRWIC) supports industry responsibility for recycling and waste management. Overall, we believe the Encorp program is a great success story for industry-led recycling in BC and Encorp is well positioned to have world-leading beverage container collection and recycling results. Our comments below are intended to support Encorp in achieving world-leading program results.

Our comments on the Encorp Stewardship Plan are as follows:

#### 1. Recovery (Collection) Rate

Encorp's collection (recovery) rate is in a crisis mode and has been significantly declining at a rate never seen before. Unfortunately, the Plan essentially relies on the existing strategies and approaches to resolve declining collection rate issue. Encorp's plan needs to have new strategies to resolve this crisis. Lowering the target to 76.2% for 2018, simply to create a target that reflects the declining performance, is not an acceptable strategy and does not reflect a world-leading program.

	Recovery (Collection) Rate	Target	Pass or Fail to meet Target
2014	79.1 %	80.1 %	Fail
2015	78.9 %	80.6 %	Fail
2016	78.0 %	81.0 %	Fail
2017	75.8 %	81.0 %	Fail
<b>2018</b>		<b>76.2 %</b>	

Globally, the most effective strategy for increasing the collection rate is to increase the refund level. The Province sets the minimum deposit level in the Recycling Regulation, however Encorp has the authority to increase the refund level for underperforming categories. The strategy to increase refund levels should be included in the new Plan, even if to provide the rationale on why, when or why not the refund level should be increased.

A second strategy could be to provide a greater incentive to the collection network to collect more containers. This could include performance bonuses for depots, enhanced street-scape and public collection services and allowing depots to expand their services and partner with local government curbside programs to recover more containers.

#### 2. Pollution Prevention Hierarchy Target (and reporting)?

The Recycling Regulation requires that Encorp report on how beverage containers are managed in accordance with the Pollution Prevention Hierarchy (e.g. re-use, recycling and energy recovery). Encorp fails to report in their Annual Reports or set target in the Plan for how containers are managed in accordance with the Pollution Prevention Hierarchy.

VIRWIC believes that an estimated 5-7% (approx. 2 million) of beverage containers collected in curbside programs in BC are now not recycled, but instead incinerated because of an Encorp operational change. This is unacceptable, and potentially in violation of the Recycling Regulation. The reason for this is that in 2015 Encorp made an operational change to have all beverage containers collected at curbside to be bailed with the curbside material and sent to Vancouver for processing. Bailing these containers with all curbside materials creates contamination that has led to fewer containers being recycled and more incinerated. Previously, local depots would work directly with curbside programs to sort and recycle these containers. Therefore, Encorp has made an operational change (presumably for cost saving) that has led to a lesser environmental outcome.

Encorp should report how many containers are re-used, recycled or incinerated and set targets for these categories. Encorp should also reverse its 2015 operational decision and allow local depots to work with curbside programs to ensure that as many containers are recycled as possible.

3. Refund Levels

The \$0.05 refund level needs to increase to \$0.10.

Every neighboring jurisdiction in the region (e.g. Alberta, Saskatchewan, Oregon) has increase the deposit/refund level to be above \$0.10. These same jurisdictions all have higher Recovery (collection) Rates than Encorp does. It is well-known world-wide that refund levels drive collection performance.

	Minimum Deposit Level (<1L)	Date changed	Recovery (collection) Rate 2017
Alberta	\$0.10	June 2009	85%
Saskatchewan	\$0.10	April 2017	86%
Oregon	\$0.10	April 2017	82%
<b>British Columbia</b>	<b>\$0.05</b>	<b>??</b>	<b>75.8%</b>

If Encorp does not increase the refund level then the Province should amend the Recycling Regulation to increase the minimum deposit/refund level.

Sincerely,

VIRWIC ADMINISTRATION

CC: Ministry of Environment

**From:** "Ian Chang (GBN)" <[ichang@greenbynature.com](mailto:ichang@greenbynature.com)>  
**Date:** July 20, 2018 at 7:11:15 PM PDT  
**To:** Bill Chan <[bchan@returnit.ca](mailto:bchan@returnit.ca)>  
**Subject:** RE: Vancouver Island Recycling and Waste Industry Coalition (VIRIC)

Since the inception of the Recycle BC program, Green by Nature has never sent any Recycle BC material to the incinerator. All the containers including all deposits have gone to Merlin Plastics and are recovered by them. Furthermore, the limited volume of IC&I that Green by Nature handles follows the exact same process of Recycle BC material and are also recovered by Merlin Plastics.

VIRWIC's claim that 2 million beverage containers from curbside program are incinerated come as a surprise to me. As you are aware, Green by Nature is the post collection processor for all Recycle BC curbside program. The material that we received, processed and shipped to the end market are all subject to Recycle BC and CSSA's reporting requirements. As such, all material movement are documented and subject to Recycle BC's audit. Like Encorp, Recycle BC publishes an annual report that outlines their program's performance each year. The Recycle BC's annual report has never stated that material are going to incinerator. I am puzzled on how VIRWIC can make such a claim.

I know you understand Green by Nature and its partners role in the Recycle BC program. If you would like more information on this matter, feel free to contact me.

Regards,

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