

Monday, September 30, 2019

Honourable George Heyman
Minister of Environment and Climate Change Strategy
PO Box 9341 Stn Prov Govt
Victoria, BC V8W 9M1

Dear Minister,

I am writing on behalf of the members of the Canadian Beverage Association (CBA) to provide comments on the *Plastics Action Plan: Policy Consultation Paper*.¹

The CBA represents the majority of non-alcoholic beverage brands and companies in Canada. Our sector directly employs more than 20,000 Canadians, operates 200 production facilities, offices and distribution centers across the country, and contributes \$6.7 billion to Canada's economy every year.

We share the Government of British Columbia's goals of reducing litter, increasing recycling and building a more circular economy. CBA members use plastic beverage bottles made from polyethylene terephthalate (PET), a durable, 100% recyclable material that is recovered and recycled into a variety of new products and packaging. Our members have also committed to making all packaging reusable, recyclable or compostable by 2025, as part of the New Plastics Economy Initiative led by the Ellen MacArthur Foundation.

Across Canada, our sector plays a leadership role in the management of beverage container recycling programs, including the Return-It Program operated by Encorp Pacific in B.C. Over the last 25 years, Return-It has collected more than 20 billion empty beverage containers.² In 2018, the program's overall recovery rate increased to 77.4%. In that same year, more than 386 million plastic bottles were diverted from landfill – an increase of over 6 million from 2017. Although the results of the Return-It program far exceed those for other plastic items, we are committed to, and continue to work towards, even greater resource recovery.

Given our sector's leadership and expertise on recycling, we hope you will carefully consider our answers to the discussion paper questions (listed in blue) in the attached document. If you have any questions or require further information, please do not hesitate to contact me.

Sincerely,



Jim Goetz, President
Canadian Beverage Association

¹Government of British Columbia. 2019. *Plastics Action Plan: Policy Consultation Paper*.

https://cleanbc.gov.bc.ca/app/uploads/sites/436/2019/07/CleanBC_PlasticsActionPlan_ConsultationPaper_07252019.pdf

² Encorp Pacific. 2018. *Annual Report*. <https://www.return-it.ca/blog/annual-report-2018/>

Single-Use Packaging Bans

- *Do you think bans on plastic packaging should be implemented in B.C.? What plastic packaging products are a priority for B.C. to ban?*
- *What types of bans should be considered (examples include bans on sale of a certain type of packaging or ban on use of a certain type, or bans on disposal)?*
- *Should local governments be given the authority to ban problematic plastic items in their community?*
- *What types of bans should be considered?*

To facilitate further resource recovery, the CBA supports disposal bans for materials that have sustainable end-markets. A disposal ban for beverage containers serves as an effective tool to increase waste diversion particularly in the industrial, commercial and institutional (IC&I) sector, where data on waste diversion is lacking. For example, Metro Vancouver has implemented several disposal bans for recyclable materials at its disposal facilities. If recyclable materials are detected in a load, a surcharge is applied.³ Avoiding this penalty creates an incentive for waste haulers to make sure proper source separation and sorting systems are in place. The provincial government should consider implementing province-wide disposal bans for recyclable materials managed in established recycling programs.

- *If a ban was applied, how should exemptions be considered?*

Plastic straws have become a focal point in many policy discussions about reducing plastic waste. However, in certain cases, straws serve a specific and necessary purpose. Persons with disabilities, such as muscular dystrophy, require straws to drink beverages.⁴ In other cases, straws are automatically given to customers at restaurants whether they are needed or not.

Taking action in this area will require balance. We would recommend pursuing a policy under which plastic straws are no longer automatically provided to customers while ensuring that some are kept on hand for those who need them, including children, seniors and persons with disabilities. This policy approach would cut down on waste while preventing unintended consequences.

Aseptic carton straws:

A distinction must be made within any policy approach in this area for straws that come with aseptic cartons. Unlike loose straws, they are an integral part of the finished packaging and are required to consume beverages in aseptic cartons.

The beverage sector is working with Encorp Pacific to roll out “Back-in-the-Pack” promotion and education for aseptic cartons. Before consumers recycle empty aseptic cartons, this campaign encourages them to push the straw back inside the pack. Taking this approach ensures that the straw remains with the packaging and does not become litter. We would recommend focusing on reducing loose straws while working with Encorp Pacific to encourage consumers to put straws that come with aseptic cartons back in the pack before recycling.

³ <http://www.metrovancouver.org/services/solid-waste/bylaws-regulations/banned-materials/Pages/default.aspx>

⁴ <https://www.cnn.com/2018/07/11/health/plastic-straw-bans-disabled-trnd/index.html>

Expanding Plastic Bottle and Beverage Container Returns

- *Do you have comments or suggestions on the ministry's proposal to create a uniform 10 cent deposit-refund for all beverage containers?*

Creating a uniform 10-cent deposit refund for all beverage containers by increasing the deposit rate on certain containers, lowering it on others and introducing new containers into the system comes with both benefits and challenges.

As a benefit, a uniform deposit rate would reduce the administrative burden for retail stores while improving efficiency throughout the depot system by streamlining sorting processes. It would also simplify the deposit system for consumers, who would receive a standard 10 cents for every container they return for a refund.

Costs to Consumers:

As a challenge, introducing a uniform 10-cent deposit refund for all beverage containers, covered in the Ministry's proposal, would result in \$55 million in additional upfront costs for consumers before redeeming their refund, according to Encorp Pacific.

As the Ministry pointed out in its webinar presentation on Sept. 18, deposit beverage containers only make up 1% of the plastic waste stream in British Columbia. Recovering and recycling empty beverage containers is and should remain a significant priority, but the costs of recovering those containers for consumers should also be kept in mind when developing new policies.

Timing the Increase:

If the provincial government ultimately decides to introduce a uniform 10-cent deposit refund for all beverage containers, the timing of both announcing and implementing this change must be strategic. Announcing the change too early would result in hoarding. There would be a strong disincentive for returning empty beverage containers for only a 5-cent refund when a 10-cent refund could be redeemed following the policy change. To avoid hoarding, we would encourage the Ministry to work very closely with Encorp Pacific to select the right time to introduce a 10-cent uniform deposit. Aligning this policy change with the release of the revised Container Recycling Fee schedule would ensure smooth implementation. We would recommend that the public announcement of the change should be made only weeks prior to its introduction in order to reduce the amount of time empty beverage containers could be hoarded.

Fairness for Consumers:

The introduction of a uniform 10-cent deposit refund for beverage containers should be accompanied with authorizing all Return-It depots to collect empty beer cans. Currently, less than half of Return-It depots are authorized to collect beer cans by the Brewers' Recycled Container Collection Council (BRCCC). Without authorization, the BRCCC does not pay handling fees to depot owners.

Consumers look for the nearest, most convenient depot to return their empty beverage containers. They cannot be expected to distinguish which depots do and do not have authorization. As a result, 1 in 3 beer cans are returned to a depot that does not have BRCCC authorization and, in turn, receives no handling commissions. To offset the cost of handling

containers, these depots discount deposit refunds – which refers to withholding part of the deposit to cover the management costs while refunding the remaining portion to the customer. According to Encorp Pacific, the cost of discounting beer cans results in \$2.7 million in annual costs to consumers. We believe all stewards benefiting from depot collection should pay their fair share and that consumers should receive the full value of their deposit when returning beverage containers.

- *Do you have comments or suggestions on the ministry's proposal to allow refunds to be electronic and paid in an alternative form of cash (e-transfer, cheque, in-store credit, charitable donation, or similar alternatives)?*

We are pleased to see the Ministry of Environment's proposal to update the Recycling Regulation to reflect the evolution of how deposits are now being refunded. Return-It's Express system has offered a new level of convenience to customers, who can now bag and drop off their empty beverage containers at a depot to receive credit on their Express Account. The credit can then be redeemed through Interac e-Transfer or a mailed cheque.⁵

Reducing Plastics Overall

- *What should B.C. consider in the development of a national standard on recycled content and any associated targets?*
- *Do you have comments or suggestions on any related provincial policies or actions?*

Under the Ocean Plastics Charter, G7 countries agreed to work “with industry towards increasing recycled content by at least 50% in plastic products where applicable by 2030.”⁶ Our sector is committed to using more recycled content in our packaging and individual members have made various commitments to increase recycled content while some have already introduced 100% recycled PET bottles.

EPR Required to Increase Recycled Content:

Increasing the use of recycled content throughout the economy will require two key policies: extended producer responsibility (EPR) and targeted investments in recycling capacity. The Canadian Council of Ministers of the Environment (CCME) has identified both of these policy areas as priorities in the Canada-Wide Action Plan on Zero Plastic Waste. Introducing recycled content standards before producers manage the supply chain of recovered materials leaves businesses in a predicament of having the responsibility of increasing recycled content while having no say in how the required recyclable materials are recovered.

It has now been a decade since the CCME committed to the Canada-Wide Action Plan on Extended Producer Responsibility in 2009. Despite Ontario's recent announcement to transition its Blue Box program to full EPR, many provinces have not begun the necessary process of transitioning existing shared responsibility or government recycling programs into EPR programs. The provinces and territories must fulfil their commitments under the 2009 CCME EPR guidelines first before recycled content standards can be introduced. We would encourage

⁵ <https://www.return-it.ca/express/>

⁶ G7. 2018. *Ocean Plastics Charter*. <https://www.canada.ca/en/environment-climate-change/services/managing-reducing-waste/international-commitments/ocean-plastics-charter.html>

B.C. to use its leadership role on EPR, and within the CCME, to advance the implementation of EPR.

Processing Capacity:

As outlined in the G7 Ocean Plastics Charter, Canada has committed to “increasing domestic capacity to manage plastics as a resource” and “strengthening waste diversion systems and infrastructure to ... recapture the value of plastics in the economy.” Similarly, the CCME acknowledged in the Strategy on Zero Plastic Waste that Canada’s recycling infrastructure “will need to be significantly expanded” to recover all of the value from plastics in our economy. “Enhanced facilities, innovative products and technologies and processes are needed across Canada to deal with increased volumes of all types of plastics,” according to the strategy.⁷

Just as producers need to manage the supply chain of recovered materials to increase recycled content, significant investments must be made to develop recycling facilities and technologies. We would encourage the provincial government, in its work with the CCME, to support the development of a comprehensive policy approach that focuses first on laying the foundational policies to build a more circular economy.

⁷ CCME. 2018. *Canada-Wide Strategy on Zero Plastic Waste*.
<https://www.ccme.ca/files/Resources/waste/plastics/STRATEGY%20ON%20ZERO%20PLASTIC%20WASTE.pdf>