

# BC Bottle Depots' Support and Recommendations for Clean BC's Plastics Action Plan

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Clean BC's Plastics Action Plan (Action Plan) is a bold step forward for British Columbia (BC). Almost weekly, Canadians hear news of sea birds, whales and other wildlife starving from bellies full of plastics waste. As British Columbians, we see plastic littered on our streets, beaches and shorelines and media reports of microplastics in our drinking water and in our food. British Columbians want action. With this Action Plan, BC has the opportunity to be the first jurisdiction in Canada to take a wide-reaching, strategic and evidence-based approach to stem the flow of plastics waste into the environment, and to lead Canada towards a future of responsible plastics use. The BC Depots applaud the government for taking this step to reduce plastic waste and to move towards a prosperous, sustainable, circular economy.

To support your efforts, we, the Depots, have come together to provide clear, concise and experience-based recommendations to ensure the Action Plan, once passed, is a success. Together, we total nearly 150 (of the 171 Encorp licensed) bottle depots across BC, and include the independent, KARMA and BC Bottle and Recycling Depot Association depots. We all collect Encorp deposit bearing beverage containers, many of us collect Brewer's program containers, and most of us also collect other EPR-regulated materials for the multiple, various producer responsibility organizations (PROs).

Our businesses' position in our communities ensures that we can be front-line support to help BC's Action Plan succeed. Our depots are situated in almost every community across BC, and we have daily, face-to-face conversations with British Columbians about 'how to recycle' successfully in our province. British Columbians likely don't know who runs which regulated program, but they know who we are, they know where we are located in their community, and they know they can count on us to help them do the right thing to effectively recycle their materials. It is our experience as the 'front line' of recycling in BC that we are drawing on in making our recommendations to you. The following is a summary of our recommendations on a 'solution by solution' basis, as outlined in the Action Plan.

## 1. Establishing Bans on Single-Use Plastics

The Action Plan suggests BC may implement two types of bans: sales bans and disposal bans. We agree that sales bans can be an effective tool to prevent plastic waste generation and reduce the availability of items that are commonly littered or are not readily recyclable. Likewise, we agree disposal bans can drive the diversion of recyclable materials to recycling facilities, such as our depots.

We overwhelmingly support a disposal ban on beverage containers and other EPR-designated materials, and we support enforcement of disposal bans at the landfill gate. Nova Scotia implemented this practice almost 20 years ago and it has been effective at encouraging low performing sectors (e.g., the industrial, commercial and institutional sector, event operators) to set up in-company / onsite recycling programs for banned materials. However, we encourage the government to go further and ensure that disposal bans are enforced on all residual material exiting processing systems at material recycling facilities (MRFs). Low MRF processing efficiency can result in large amounts of designated materials being disposed post-collection, especially through curbside collection systems.

We also provide the following cautions:

1. We recommend against implementing disposal bans on materials that are not readily recyclable province-wide (i.e., materials that are not collected by provincial EPR systems). As the front line for community recycling across the province, our customers bring all manner of materials to our depots that they 'wish' to recycle whether we collect that material or not. If we do not accept a specific material, then many customers leave this material at our door or bring the material back after closing as an overnight 'gift'. These 'wish-cycling' British Columbians mean well: they want to do the right thing and they believe that we, as depots, will know what that right thing is. However, where provincial programs do not exist or where we are not the local PRO-established collection site, we often get stuck with material that is dumped and that we must clean-up at our own cost. The cost of dumping is

not insignificant for small, independent, low margin businesses like ours. On an annual basis, we spend between 3 - 5% of our revenues managing illegal dumping. Implementing disposal bans on non-EPR materials would exacerbate this issue.

2. We recommend against implementing sales or disposal bans on all plastic bags. Most British Columbians collect their beverage containers in plastic bags and they leave those dirty bags with us when they drop off their beverage containers. Unless a ready, reusable alternative is provided to British Columbians to collect their containers in-home and in-office, we would have to pay to dispose of the bags or pay to dispose of substitute disposable collection containers (e.g., cardboard). As a result, banning all plastic bags could have unintended consequences for our businesses and the environment. Select bans on a narrow range of bags that are most troublesome for the environment seems like a reasonable interim approach.
3. Finally, we recommend against sales bans on water bottles. Water bottles provide a vital service (i.e., access to water in what are otherwise water deserts), especially for vulnerable populations that lack ready access to clean tap water. Every day in BC there are multiple boil water advisories. These advisories also happen throughout the year after severe storms. As depot owners we meet many vulnerable people (e.g., bidders) and until water deserts cease to exist for all British Columbians, sales bans seem premature.

## 2. Expanding EPR to packaging-like products and single-use items.

We overwhelmingly support expanding EPR to packaging-like products and single-use items. New diversion will only benefit BC and recycling businesses. We encourage the government to go even further by closing loopholes in the existing EPR product designations that are resulting in environmental effects counter to the intent of the regulation and are costing depots thousands annually. We recommend strengthening the regulated requirement for producers to demonstrate they are paying the true, full cost of their 100% producer responsibility obligation.

Under BC's EPR regulation, producers are responsible for implementing a system to collect and recycle their materials. BC's producers self-organize into PROs. PROs have the choice of operating their own collection facilities or hiring private service providers, including depots, to be public collection points for their materials. Because of British Columbians' history and understanding of the depots as 'one-stop recycling centres', PROs have chosen to hire many depots to act as natural collection points. In principle, this makes sense. British Columbians have over 50 years' history with the depots as 'recycling service providers'. This should be a win-win situation for PROs, who should want high collection rates, and depots, who want to service the recycling public. However, in practice, our experience has been that the PROs seek to capitalize on any reason not to meet their obligation to pay the full costs of their programs.

For example, if PROs ran their own collection sites, they would have to pay the full costs of managing the public's activities. Municipalities and depots understand that even when best practices are fully implemented the public: a) gets confused about what is and what is not included in a program, b) will dump materials after dark regardless of the presence of cameras; and c) 'spills happen'. Managing these realities are a reasonable and predictable cost of running a program. But, these are costs PROs have unfairly downloaded onto depots, municipalities and other collection sites. We recommend government take action to strengthen producer responsibility requirements to protect the public interest, protect the environment and uphold the principle of EPR as follows:

1. Require accredited third-party confirmation, reporting directly to government, that producers are paying the full lifecycle costs of their programs, including the costs of reasonable levels of material contamination and site clean up at collection sites.
2. Require producers to manage the full lifecycle of their products regardless of whether those materials are littered, dumped or deposited at an unofficial collection site (e.g., depot). For EPR-designated materials, depots / municipalities should be able to call the appropriate PRO and request they clean-up their dumped program material at their cost. After all, the basis of EPR is for producers to assume lifecycle responsibility for their materials and if the consumer had knowledge of ready access to convenient options for diverting the material properly, then they would not dump the material.

3. Remove loopholes in the existing regulation that enable PROs to refuse to manage 'program-like materials' deposited at collection sites by requiring they manage all like materials (e.g., packaging and paper products, thermostats, paints) regardless of source (i.e., residential and commercial).
4. Require producers to manage all their designated materials, not just those designated materials for which they have markets (e.g., packaging, all waste electrical and electronic equipment).
5. Require PROs that manage 'similar materials' to cooperate by using common collection points. For example, the public should not have to visit different collection points to manage different waste electrical and electronic equipment or HHW. The public's cost and environmental effect of transportation (i.e., greenhouse gases) to multiple collection points should be a system cost that producers have to report on and minimize.
6. Require producers to manage all 'presumed' designated materials. At present, PROs are able to refuse materials that are not specifically identifiable as BC-generated materials because of missing or faded labels. For example, Encorp is able to argue that plastic bottles that come into depots without a label are not 'BC-generated materials' and they are able to discount payments to depots for unlabelled containers. While we understand the need to protect against fraud, this on-the-ground implementation undermines system integrity, fails to protect the public trust and downloads cost to depots. Neither depots nor the public should have to pay for the management of producers' products simply because producers' labelling system is faulty at the product's end-of-life.
7. Expand EPR requirements to all materials that are commonly dumped (e.g., furniture; white goods; carpet; mattresses; IC&I packaging and paper; hard plastics; propane bottles; IC&I paints, solvents and thinners; and construction & demolition materials).

There is precedent for extending EPR to litter, dumped materials and materials deposited at unofficial collection sites. For example, in 2019 the European Parliament established a single-use plastics directive to require producers to pay the full costs of managing their materials regardless of whether they are deposited at official collection sites, public collection systems or as litter<sup>1</sup>. If the BC government adopted this bold tactic, it would ensure that producers have the maximum incentive to invest in effective systems to make sure all their materials are managed through appropriate channels. At present, they have no real incentive to do anything but manage those materials that show up at official collection sites.

### 3. Expanding the recovery and recycling of beverage containers.

#### a. Expanding the EPR deposit refund system to all beverage containers.

We overwhelmingly support expanding the deposit return system to cover all beverage containers. We agree that expansion would reduce the public's and depots' confusion about which containers bear deposits and encourage improved collection of all containers from the IC&I sector.

We encourage government to go further by harmonizing its designated materials list with Alberta. Alberta is BC's closest provincial neighbour, and it currently has the widest list of designated containers in the country. In addition to BC's designated list, Alberta's program includes all ready-to-serve milk, milk substitutes, drinkable meal replacements and drinkable infant formulas. Alberta's list also includes 'milk like products' that are easily confused by the public as milk (e.g., gable top cream containers).

Finally, we encourage the government to add all non-factory filled beverage containers to the deposit refund system (e.g., 'home brew' wine and beer containers). From a public perspective, these containers are indistinguishable from the current system containers and should be managed in the same stream.

#### b. Standardizing the refundable deposit to 10 cents

We support implementing a flat rate deposit. We agree this will simplify the system, reduce the likelihood of system fraud and make it easier for the public to calculate their expected returns. Depots also agree deposits should not be higher than necessary to achieve the desired outcome. However, most depots are concerned that a 10-cent deposit would be too low to affect the desired results. Evidence in Alberta and Saskatchewan suggest a 10-cent deposit would at best achieve an 85-88% return rate, and in the Action

<sup>1</sup> European Commission, 2019. Directive (EU) 2019/904 of the European Parliament and of the Council of 5 June 2019 on the reduction of the impact of certain plastic products on the environment. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L0904&from=EN>. Retrieved: September 6, 2019.

Plan Clean BC confirms it expects the new 10-cent flat rate would divert only another 50 million containers, which equates to an anticipated 85% return rate. In 2018, if Encorp achieved an 85% return rate more than 202 million containers would still have been lost to litter and landfill, including 78.8 million plastic containers (Table 1).

An 85% goal seems underwhelming. It also does not seem to meet the intent of the Action Plan, which asks for BC to be a leader on plastics waste prevention. For example, Europe has set a target of 90% plastic bottle diversion<sup>2</sup> and many countries are already higher than 90% returns (Figure 1). The solution to achieving higher returns is higher deposits. BC doesn't need to wait two years to apply the known experience of other jurisdictions.

Table 1: Calculation of Encorp Pacific containers collected if an 85% return rate were achieved in 2018. <sup>3</sup>

Container Type	Containers Sold (2018)	Collected if 85% returned	# of BC containers lost to litter & landfill if 85% returned
Plastics All	525,272,286	451,734,166	78,790,843
<b>TOTAL</b>	<b>1,350,852,403</b>	<b>1,161,733,067</b>	<b>202,627,860</b>

As a result, the Depots recommend the government set a minimum 15-cent flat rate deposit, which would be more likely to encourage a return rate of 90% (or above) and it would have little effect on sales. A 15-cent flat rate would also discourage container migration in border communities from BC to Alberta (which has tiered deposits of 10-cents and 25-cents) because an average bag of containers would be worth more to the redeeming public in BC than Alberta.

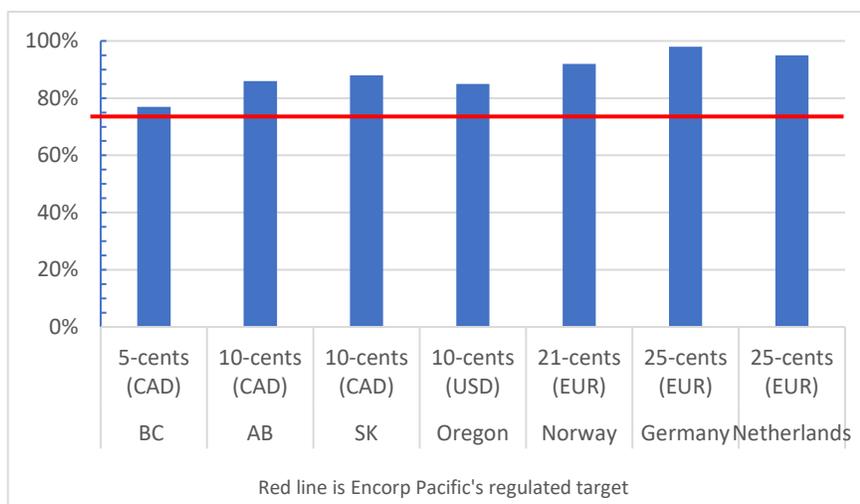


Figure 1: Comparison of recovery rates and minimum deposits of high-performing programs in Europe, Canada and the United States compared to BC's Encorp Pacific Program.<sup>4</sup>

### c. Modernizing the system

The Depots support optimizing the system to improve efficiency and convenience for the public. The more efficient the system, the less the system will cost consumers who ultimately pay for it. We support the intent of the Action Plan (i.e., to move up the hierarchy in material management towards a circular

<sup>2</sup> European Commission, 2019. Circular Economy: Commission welcomes European Parliament adoption of new rules on single-use plastics to reduce marine litter. Available at: [https://europa.eu/rapid/press-release\\_STATEMENT-19-1873\\_en.htm](https://europa.eu/rapid/press-release_STATEMENT-19-1873_en.htm). Retrieved September 7, 2019.

<sup>3</sup> Encorp Pacific, 2018. Annual Report. Available at: <https://www.return-it.ca/about/annualreports/>. Retrieved September 7, 2019.

<sup>4</sup> 1) SARCAN, 2018. Annual report. Available at: [https://issuu.com/sarcsarcandocs/annual\\_report\\_2019\\_-\\_final\\_-\\_online](https://issuu.com/sarcsarcandocs/annual_report_2019_-_final_-_online) 2) Oregon Beverage Recycling Cooperative, 2018. Annual report. Available at: <https://www.obrc.com/Content/Reports/OBRC%20Annual%20Report%202018.PDF>. 3) Beverage Container Management Board, 2018. Annual report. Available at:

[https://www.bcmb.ab.ca/uploads/source/Annual\\_Reports/2019.06.05.BCMB.2018.Annual.Report.Web.Version.pdf](https://www.bcmb.ab.ca/uploads/source/Annual_Reports/2019.06.05.BCMB.2018.Annual.Report.Web.Version.pdf). 4) Infinitem, 2018. Annual Report.

Available at: <https://infinitem.no/english/infinitem-annual-report-2018>. 5) Data for Germany and Netherlands 2018 is not publicly available. The data used is from ReLoop, 2018. Deposit systems for one-way beverage containers: Global Review. Available at: <https://reloopplatform.eu/wp-content/uploads/2018/05/BOOK-Deposit-Global-27-APR2018.pdf>. All retrieved September 7, 2019.

economy). This should mean a move towards more reusable containers: a return to reusable milk containers, wine bottles, etc.

However, we are concerned about what we are seeing in how 'modernization' is being rolled out. The slippery slope of modernization seems to encourage consumer convenience over improved environmental outcomes. For beverage containers, this means encouraging comingled bags of containers dropped through chutes or containers comingled at curbside. Yet for containers to be reused, they must be carefully managed (e.g., not shoved through a chute to break). For glass to be properly recycled (i.e., not downcycled), it has to be clean. Dirty glass can only be downcycled to markets like sandblasting. Depot collection provides superior environmental outcomes: we source separate materials and ensure that material is clean and that it can be reused (e.g., beer) and recycled into new products, and not downcycled. Depot collection also provides an important public interface that improves outcomes: the public do not know who the PROs are but they do know who we are and they seek our advice on proper recycling.

To meet the goals of a circular economy, producers should have to:

- Meet strong reuse targets, not just recycling (downcycling) targets; and
- Meet low residual rates standards at MRFs.

We are also concerned about the trend towards electronic refunds if they result in 'cashless depots'. Some of our most frequent clients are the bidders (i.e., vulnerable populations) who collect containers to make a living. These people are picking up containers that would otherwise be litter: they are serving the public interest. They often don't have bank accounts to deposit electronic funds into and they cannot afford to wait to eat. The combined slippery slope of cashless depots and delayed refunds could mean that these vulnerable people could have to wait days or weeks for their earnings, if they even have a bank account. This could discourage bidders and reduce litter clean up. As a result, we encourage government to require PROs to maintain universal access to the choice of immediate cash refunds in every community across BC.

#### 4. Supporting national recycled content performance standards.

We overwhelmingly support the government's desire to work across provinces to establish national recycling standards. Requiring recycled content will drive demand for all EPR-designated materials and will pull these products to collection points. We encourage the government to go further as follows:

1. Require producers of EPR designated materials to only supply materials that can be reused, repaired and ultimately recycled (e.g., all packaging and beverage containers should be reusable and recyclable not just 'recoverable'). There is precedent for this in Alberta where the Beverage Container Management Board will not register new containers for sale unless they are recyclable.
2. Set meaningful 'reuse rate' targets for beverage containers and packaging, and 'repair rate' targets for other EPR-designated materials. This will encourage careful management of materials at collection points and a move towards a circular economy.
3. Work, starting with Alberta, to establish nationally harmonized deposit rates for beverage containers. All jurisdictions in Canada should be working towards the same goal (i.e., high reuse and recycling rates) instead of creating market conditions that encourage container migration across borders. British Columbia, Alberta, Saskatchewan and Manitoba are part of the New West Partnership Trade Agreement that aims to create Canada's largest barrier-free interprovincial market. This agreement requires mutual recognition and reconciliation of unnecessary differences in standards and regulations. Harmonization of deposits to discourage container migration between provinces seems like a reasonable step towards this goal.

Once again, the Depots express their overwhelming support for the Clean BC Action Plan. Thank for the opportunity to provide our feedback. We will be pleased to discuss any of the ideas presented above in more detail, and even provides tours of our facilities to help illustrate our concerns and the opportunities we have outlined. We look forward to the result of this important work.