



April 28, 2009

Karen Goodings and Councillors  
Regional District of Peace River  
Box 810  
Dawson Creek BC V1G 4H8



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**ATTENTION: Karen Goodings**

I have recently become aware of a letter writing campaign by the BC Bottle Depot Association (BCBDA). They ask local government to join their advocacy for a wholesale reconstruction of the product stewardship system in British Columbia. They offer no factual basis for their remarkable suggestion except that they prefer the Alberta solution; one that, on evidence, has lower environmental performance, is more expensive and administratively complex but does guarantee the Alberta Bottle Depot Association a steady stream of membership dues.

Here are the factual errors in the BCBDA letter:

1. Only a minority (1/3) of depots are members of BCBDA; and this organization has no standing within the regulation nor with Encorp or any stewardship agency
2. The recycling industry for products covered by stewardship programs is in no danger of either failure or collapse; to the contrary no depot has failed in the last ten years
3. All Encorp programs are meeting their recovery targets. Beverage recovery for 2008 was 77% (one of the highest in Canada) up from 76% in 2007.
4. 90% of the population (not 30% as alleged by BCBDA) have access to electronics collection sites and, at 6 lbs per capita, recovery results are the second highest in North America
5. Compensation offered for the collection of electronics in BC is comparable to other programs and other provinces with electronics programs. As a bargaining ploy, BCBDA has boycotted this very successful program. Incidentally they have also boycotted the voluntary dairy program even though 75% of the depots are active participants
6. Encorp does not receive the eco fees from the electronics recycling program; these revenues go the Electronic Stewardship Association of BC. There are no eco fees for the dairy program. Encorp's utilization of unredeemed deposits to pay for recycling costs is approved by the Province and has been validated by the courts in BC



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BCBDA offers no suggestions as to how a Beverage Container Management Board would contribute to improved environmental results. Clearly, BCBDA interest is to stabilize their source of membership dues and to assist the preservation of their association. The BC industry stewardship system is admired throughout North America; we do not need to dismantle it. In light of these considerations, I respectfully ask you to consider carefully their request before giving it your support.

Please contact me if you or your council would like more discussion on stewardship in British Columbia. For your reference, I have enclosed my letter to Minister Barry Penner written in response to the BCBDA open letter.

Yours truly,

**ENCORP PACIFIC (CANADA)**

A handwritten signature in black ink, appearing to read "Neil Hastie".

Neil Hastie  
President & CEO

May 14 2009



April 6, 2009

Honourable Barry Penner  
Minister of Environment and  
Minister responsible for Water Stewardship and Sustainable Communities  
PO Box 9047 – STN PROV GOVT  
Victoria BC V8W 9E2

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Dear Minister,

**Re: BC Bottle Depot Association Letter of March 13, 2009**

On March 13, 2009, the BC Bottle Depot Association (BCBDA) wrote to you and other members of the Legislative Assembly. The letter was brought to my attention by a member of the Legislative Assembly.

The BCBDA's letter contains numerous inaccuracies and advances a distorted interpretation of the regulatory regime for product stewardship in BC. Moreover, the letter recklessly diminishes the notable environmental achievements made by BC stewardship agencies which are widely admired throughout North America.

By way of context, the BCBDA is a voluntary association made up of only one-third of the bottle depots in BC. It is not recognized as a bargaining agent by Encorp or by any other stewardship program and has no standing within regulation.

The BCBDA is asking government to overhaul the *Recycling Regulation* and to abandon one of the Province's core principles, namely industry management of regulated recycling programs. It is asking government to re-enter the field of recycling to create an agency with direct management authority over recycling financing and operating methods.

In making this request, the BCBDA opposes the BC approach to stewardship and advocates for an Alberta model: a model that is more expensive, cumbersome to regulate, and achieves lower environmental performance. A feature of the Alberta model is that it guarantees the Alberta Bottle Depot Association a steady stream of membership dues.

Positive and improving environmental outcomes are the best measures of public policy and strategies for stewardship. Encorp's performance in diverting beverage containers and electronic devices from landfill and into the recycling economy has been well documented and compares or exceeds standards set anywhere in North America. We are continuously working to improve our performance. We can do so without dismantling the regulatory system established in BC.

May 14 2009



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The following points address the various inaccuracies in the BCBDA letter:

1. The bottle depot system is not in jeopardy. To the contrary, the steady income provided by Encorp sustains family-owned bottle depot businesses and supports significant goodwill value and maintains a ready market for owners who wish to retire. There has not been a single bottle depot business failure in the past ten years.
2. Our financial statements are independently audited and publicly available and contain no errors. Encorp and its auditors are available to the BCBDA should it wish to obtain a better understanding of our audited statements.
3. Encorp did not inflate recovery rates in 2001-2004. We publish the collected volumes reported to us by depot owners for which we pay deposits and handling fees. The fraud case identified in the BCBDA letter has been resolved in our favour and Encorp has collected on the award granted by the courts.
4. Electronic collection facilities are located throughout the province covering well in excess of 90% of the population. A collection facility is opening in Quesnel in April 2009. The BCBDA has advocated that its members boycott this program even though the Return It™ Electronics program is one of the most successful in North America and the handling fees paid to collection sites are consistent with, if not higher than those in effect in other provinces.
5. The voluntary milk collection program is supported by 75% of depots notwithstanding the advice from the BCBDA that its members boycott this program. Collected volumes in 2008 were 70% higher than in 2007. Handling fees were increased by 15% in 2008.
6. Encorp has long standing relationship with its contractors and has not had any unresolved disputes.
7. As expected, we have defended ourselves successfully whenever BCBDA has initiated legal proceeding/arbitrations against us. This approach is a distraction and waste of time and money. Our success in these proceedings is a reflection of the weakness of the BCBDA's claims.

In closing, we meet regularly with Ministry staff and work diligently to keep them informed of our activities. The majority of BCBDA complaints about Encorp are known to arise out of their desire to be the bargaining agent for their members and for pecuniary interests, not out of an interest to enhance environmental outcomes.

Please feel free to contact me if you or your staff would like additional information or clarification with respect to issues raised in this letter or on our operations generally.

Yours truly,  
**ENCORP PACIFIC (CANADA)**

Neil Hastie  
President & CEO

May 14 2009