



**BEVERAGE CONTAINER MANAGEMENT BOARD
PERFORMANCE BASED DEPOT BUILDING SIZE CAP POLICY**

1. PERFORMANCE BASED DEPOT BUILDING SIZE CAP POLICY

Definitions

1. In this Policy:

“BCMB” means the Beverage Container Management Board;

“DCA” means a Data Collection Agent selected by the BCMB;

“Handling Commissions” means amounts required to be paid by manufacturers or collection system agents to bottle depot operators in Alberta for the handling of those empty beverage containers for which a handling commission has been set by the BCMB pursuant to the terms of the BCMB Administrative Bylaw;

“HCRP” means the Handling Commission Review Panel selected from time to time by the BCMB;

“Total System” means all of the permitted and active bottle depots in Alberta;

“Total System Building Space” means, in any particular year under consideration, the overall total sum of the deemed bottle depot building sizes for the Total System as determined in accordance with this Policy;

“UCA” means the Uniform Code of Accounts used by the BCMB;

“2005 UCA Study System” means that portion of the total Alberta bottle depot system, in the 2005 study year, which submitted to the DCA fully completed UCA packages that were verified by the DCA for the 2005 study year.

Background to Policy

2. The BCMB has established the following minimum standards for building sizes of bottle depots in Alberta based on the following current classifications used by the BCMB (“BCMB classifications”):

- a) Metro Bottle Depots – BCMB Minimum Size of 5000 square feet;
- b) Urban Bottle Depots – BCMB Minimum Size of 3000 square feet; and
- c) Rural Bottle Depots – BCMB Minimum Size of 1500 square feet.



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3. An issue of consideration before the BCMB's first HCRP was whether there should be a maximum to the size of building any bottle depot would be deemed to have for the purpose of determining Handling Commissions. The 2005 UCA Study System data was used by the DCA and the HCRP to set the following building cap sizes for Alberta bottle depots using the BCMB classifications for bottle depots, which building cap sizes are reflected in the current Handling Commissions and which building cap sizes are applied to the BCMB classifications as follows:

- a) Metro Bottle Depots – DCA Maximum Size of 7500 square feet;
- b) Urban Bottle Depots – DCA Maximum Size of 5000 square feet; and
- c) Rural Bottle Depots – DCA Maximum Size of 3000 square feet,

resulting in an Alberta bottle depot 2005 UCA Study System total deemed building space maximum of 533,623 square feet (“2005 UCA Study System Maximum Total Building Space”).

4. The current building size caps for Alberta bottle depots do not take into account the variability in the volume of beverage containers managed by Alberta bottle depots within each BCMB classification of bottle depots (e.g. Rural Bottle Depots appear in 18 out of the 20 bottle depot volume clusters identified by the DCA). The concern is that bottle depots which handle larger volumes of beverage containers may be deemed to have building size caps as a result of their BCMB classification that are too restrictive for the volume of beverage containers which they actually handle.

5. The current building size caps do not take into account the possibility of new or changed circumstances for Alberta bottle depots which may result in there being a significantly increased volume of beverage containers to be handled by Alberta bottle depots, such as the recent introduction of dairy beverage containers to the beverage recycling system in Alberta.

6. The current building size caps which have been applied to the BCMB classifications of Alberta bottle depots, as noted above, negatively impacts individual bottle depots which expand the volumes of beverage containers being handled by them where such expansion requires more building space than their deemed building size cap.



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Building Size Caps For Bottle Depots

7. The DCA has established new classifications for Alberta bottle depots based on volume of beverage containers handled (“Volume Classifications”), as follows:

- a) Small Bottle Depots – Bottle Depots handling less than 6 million beverage containers;
- b) Medium Bottle Depots – Bottle Depots handling between 6 million and 15.5 million beverage containers; and
- c) Large Bottle Depots – Bottle Depots handling more than 15.5 million beverage containers.

Based on the 2005 UCA Study System, the DCA has also set the following building cap sizes for Alberta bottle depots based on the new Volume Classifications for bottle depots (“Performance Based Building Cap Sizes”), such that the 2005 UCA Study System Maximum Total Building Space of 533,623 square feet recommended by the HCRP is maintained, as follows:

- a) Large Bottle Depots – Maximum Size of 7500 square feet;
- b) Medium Bottle Depots – Maximum Size of 5000 square feet ; and
- c) Small Bottle Depots – Maximum Size of 3000 square feet.

8. For the purposes of setting deemed building cap sizes for Alberta bottle depots when reviewing or determining Handling Commissions, the BCMB shall use the new Volume Classifications for bottle depots, and these new Volume Classifications shall replace the BCMB classifications described above.

9. The Performance Based Building Cap Sizes, based on the Volume Classifications, will be applied for BCMB Handling Commission reviews and determinations. The Total System Building Space used for BCMB Handling Commission reviews and determinations will increase as the total volume of beverage containers handled by Alberta bottle depots increases. The use of the Performance Based Building Cap Sizes by the BCMB rewards bottle depots for increasing the volume of beverage containers handled by such bottle depots, because as bottle depots handle increased volumes of beverage containers, more bottle depots move into the larger Volume Classifications, resulting in an overall increase to the Total System Building Space used in BCMB Handling Commission reviews and determinations.

10. Notwithstanding the foregoing provisions of this Policy, no individual bottle depot can be capped at a building size which is lower than their bottle depot permit prescribed minimum building size.

11. This Policy shall apply to the review and determination of all Handling Commissions.