bGmb

| RE: | Unlabeled Beverage Containers & Unregistered Flavors of Beverage Containers |
|-------|--|
| CC: | ABDA & ABCRC |
| TO: | Depots |
| DATE: | August 22, 2019 |

This is a follow-up notice to the August 8, 2019 and June 21, 2019, notices regarding unlabeled containers:

- The "Conditions" section below has been amended to clarify the types of beverage containers that this process applies to (unregistered or unlabeled or unused or compacted)
- the June 21, 2019, notice is attached below.

The BCMB, supported by the ABCRC, would like to confirm the process for accepting and paying for unlabeled containers and unregistered flavors of brands already registered in our system.

What this means: Depots are permitted to accept, pay for, and ship unlabeled beverage containers and unregistered flavors of beverages where the brand and/or the manufacturer is already registered in the Alberta system subject to the below conditions.

Conditions: Please continue to use your professional judgement to protect Alberta's beverage container system from fraud. If something seems suspicious, a customer brings in large volumes of unregistered or unlabeled or unused or compacted containers (or any combination of these), or there are indications the containers have come from out of Province, please do not pay for the containers and complete a Container Validation Request (CVR) form using the QMS.

Click this link to access the QMS: <u>https://bcmb.zendesk.com</u>

A Depot may accept, pay for, and ship the above noted beverage containers under the following three conditions:

1. The beverage containers are reasonably identifiable as being a beverage container sold by an Alberta manufacturer and are used.

*As a note: Off-spec beverage containers, containers that are brand new and have not been filled or used by the manufacturer, are not eligible for a refund of the deposit as the manufacturer will have not reported the sale of the container or remitted the deposit.

bGmb

2. Please consider large volumes (90+ beverage containers per customer transaction) of unregistered or unlabeled or unused or compacted containers (or any combination of these) as suspicious and follow the BCMB's Container Validation Request (CVR) process by submitting a QMS ticket.

Please go to https://bcmb.zendesk.com to access the QMS.

- 3. The beverage containers do not display indicators that they were sold or brought in from out of province, including but not limited to:
 - a. Beverage containers containing exclusively fluid ounces on their labelling or on the container;
 - b. Beverage containers containing no English on the labels or containers; and
 - c. Customer vehicles with out-of-province license plates.

Please remember that use of the Container Validation Request (CVR) form is considered best practice and we encourage depots to use the CVR for any issue or suspicious behavior that you feel should be reported or where you need support. Regular use of the CVR provides the industry with greater opportunity to:

- a) Improve the Registration database and ensure that it is representative of all beverage containers sold in the Province;
- b) Hold manufacturers accountable for their regulatory responsibilities; and
- c) Prevent fraud from damaging the reputation of the depot network and the industry.

| Auditing: | If the above conditions have been met, you will be paid for the beverage containers |
|-----------|--|
| | that you ship to ABCRC and they will not be deducted from audit counts. |
| Request: | We appreciate your continued support in working to maintain a current database of registered products to assist with quick beverage container identification in the depot. If you come across a beverage container that does not appear in our database that you think should be there, please create a ticket using the QMS and send it to the BCMB to get the process started. |
| | Please also remember that some beverage containers will not be sold in Alberta. Please refer to the "unregistered" tab of the BCMB's Registration database for a list of those products. The Beverage Container Registration Database can be accessed directly using this link: <u>https://portal.bcmb.ab.ca/Product</u> OR On the BCMB's website under the "Selling a Beverage in Alberta" tab at <u>www.bcmb.ab.ca</u> |

bGmb

| RE: | Unlabeled Containers |
|-------|----------------------|
| CC: | ABDA & ABCRC |
| ТО: | Depots |
| DATE: | June 21, 2019 |

This notice is responding to industry frustration over the lack of clarity, consistency of process and standards for accepting, shipping, and paying for unlabeled containers.

The BCMB has received numerous QMS tickets, dispute resolution requests, emails, and phone calls regarding unlabeled containers. The BCMB, together with the ABDA and ABCRC have been working diligently over the last several months to find a resolution to this issue in a manner that works for the public, depots, ABCRC, and manufacturers. We acknowledge the frustration we are hearing from all sides of this issue and have committed to having an industry supported solution by July 12, 2019.

In an effort to better understand the volume of unlabeled containers being shipped to ABCRC from depots, in June 2019, the Industry Leadership Committee engaged in a study. ABCRC staff were asked to count the number of unlabeled beverage containers received in shipping containers and report that number outside of the quality control process for purposes of the study. However, a communication error occurred and ABCRC staff reported unlabeled containers found through this study as non-system containers on depot Audit Summary Reports (ASR). As a result, some depots were not paid for these containers.

ABCRC discovered this error today and confirmed that the error has affected audits since June 12, 2019. ABCRC further confirmed that they will work to reverse any payments affected by this error and will post those adjustments, where appropriate, in the QMS through revised ASRs.

The BCMB can confirm that no quality control progressive action has been enforced on any depot in relation to this issue and that quality control will be carefully monitored in this regard going forward.

The BCMB would like to apologize for this error and for the additional frustration this has caused the industry.

For more information about the research being conducted please contact the ABDA. If you believe you have an adjustment that was not corrected by July 1 please create a ticket using QMS identifying the ASR in question.