



## 2019 Regional Meetings AGENDA

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- |     |  |                 |
|-----|--|-----------------|
| 1.  | Introduction (5 mins):                         | BCMB            |
| 2.  | By-laws and Compliance Framework (30 mins)     | BCMB            |
| 3.  | Electronic Permit Applications Tips (10 mins)  | BCMB            |
| 4.  | Depot Benchmarking Reports (5 mins)            | BCMB            |
| 5.  | BDL Update (5 mins)                            | BDL             |
| 6.  | Break Time: Eat, Drink and Socialize! (1 hour) |                 |
| 7.  | ABCRC NAV System Update (10 mins)              | ABCRC           |
| 8.  | ABDA/ABCC Agreement (5 mins)                   | ABDA            |
| 9.  | ABDA/ABCRC Service Agreement (5 mins)          | ABDA            |
| 10. | Glass QC Update (10 mins)                      | ABCRC           |
| 11. | Open Forum Q&A Session (15 mins)               | Moderator: BCMB |
| 12. | Conclusion (5 mins)                            | BCMB            |



## Depot By-law

# Key Dates



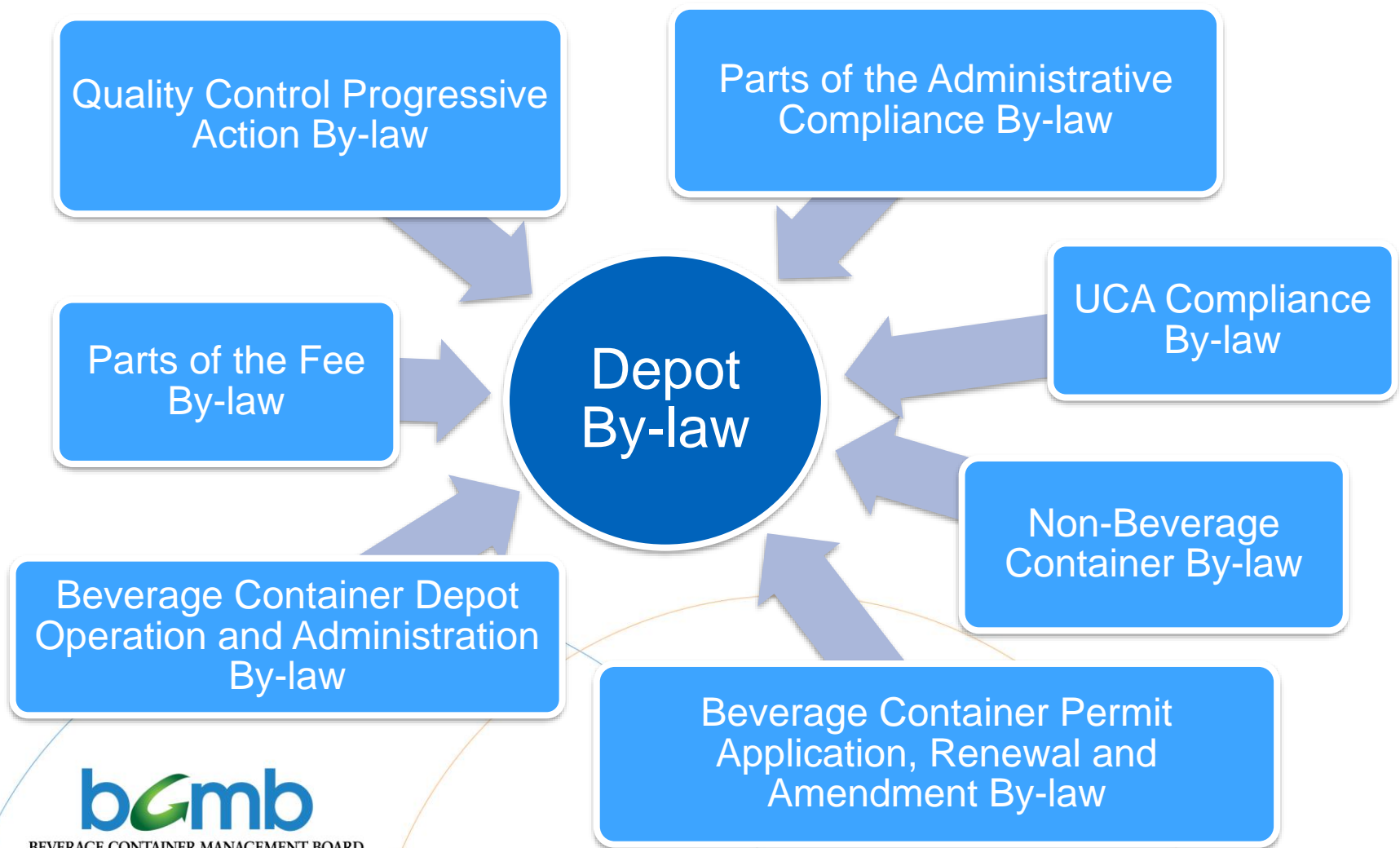
- **November 2016:** BCMB Board of Directors approve proposed review of By-laws and development of Compliance Frameworks
- **November 7, 2018:** BCMB Board of Directors approve a series of new and updated By-laws
- **November 21, 2018:** Notice sent to Depot Network
- **February 1, 2019:** Depot By-law is Active

# Why create a new Depot By-law?



- To amalgamate, simplify and clarify existing By-laws
- To ensure Regulatory Compliance expectations are clear, attainable and consistent
- To ensure process:
  - provides opportunity for improvement and encourages innovation
  - is transparent, fair and consistently enforceable
- To ensure only the most serious and ungovernable situations escalate to suspension or cancellation through the Board Hearing Process

# What was amalgamated into the Depot By-law?



What changes  
have been  
made?

How will I be  
affected as  
an Operator?



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# Key Changes

## **Class D Depot's are now included in by-law**

These changes will:

- Ensure Class D Depot's are collecting only refillable beer containers
- enhance reporting in terms of volume collection at each Class D Depot
- establish clear minimum operating standards
- and ensure the public is protected in returning containers to these types of Depots



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# Key Changes

## Permit Applications

- New Depot applications for any Metro, Urban **or Rural** Depot will only be accepted in response to a Request For Applications (RFA). (Sec. 4.1)
- Any permit application (new or location amendment) that does not meet proximity requirements will be rejected (Sec. 6.4 & 6.9)





# Key Changes

- Financial requirements for operating funds have been increased to reflect current costs (Sec. 4.8)
  - Small Rural Area: \$10,000
  - Large Rural Area: \$20,000
  - Urban Area: \$40,000
  - Metro Area \$60,000
- In Section 4.9, a clause has been added to allow BCMB to request further financial information from rural depot applicants to better ascertain their business' viability



# Key Changes



## Permit Conditions

- Section 6.2: With the introduction of Compliance Frameworks, there is no longer a need for compliance related permit conditions.
- Permit conditions will only be applied universally or upon request of a Permit Holder and approval of BCMB

# Key Changes

## Current Permit Holders

- Sections 8.3 & 8.6 ensure that Permit Holders are responsible for operation of their depot and that Depot Managers are now also accountable for operation and compliance at their place of employment



# Key Changes



- Section 9.4: All written communications to BCMB shall be through the Quality Monitoring System or the Industry Email Address
- Permit Holders are required to regularly monitor the Industry Email Address or designate a specific individual to do so on their behalf.

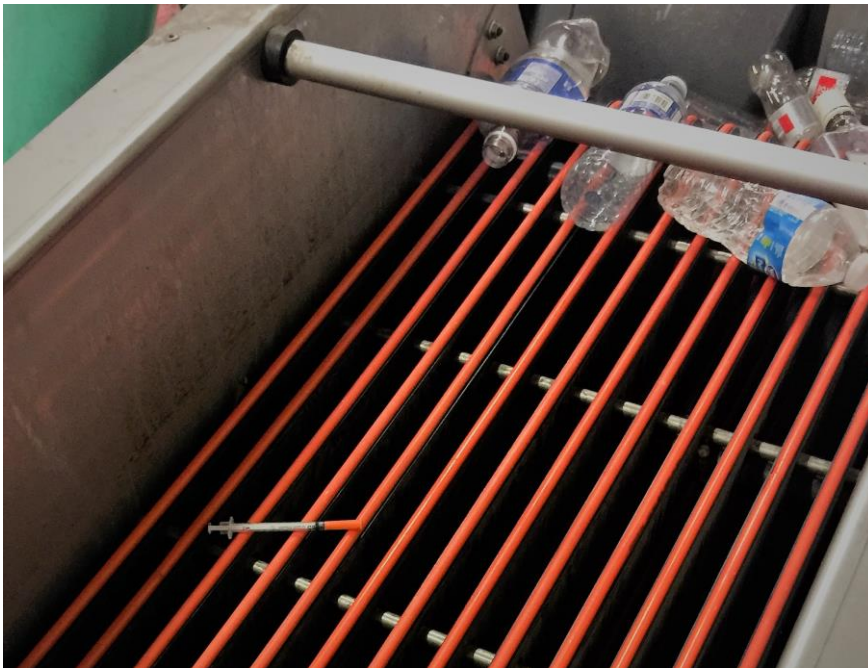
# Key Changes

- Sections 10.2 & 10.3 provide BCMB the ability to conduct inspections at a Depot as needed and to quarantine, remove and hold shipping containers where there are reasonable grounds to suspect fraud



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# Key Changes



- Section 10.45: Depots are to ensure containers are free from hazardous objects or substances
- Added to protect industry workers from hazards and to ensure Depots are accountable for the containers they accept and pay for



# Key Changes

- Section 10.46: Depots shall comply with all Service Agreements to ensure effective and efficient operation
- Section 10.47: In the event that there is a conflict between By-law and a Service Agreement, By-law will prevail





# Key Changes

## Compliance Frameworks

Perhaps the most significant change, the following 5 frameworks are now included:

- Refund Compliance
- Quality Control Compliance
- UCA Compliance
- Operational Compliance
- Non-Beverage Container Compliance



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# Compliance Frameworks



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# Compliance Frameworks

Each framework follows the same path:

EDUCATION

PREVENTION

ENFORCEMENT



- **Level 1:** Warning Letter
- **Level 2:** Warning Letter; \$300 Compliance Fee
- **Level 3:** Warning Letter; \$300 Compliance Fee
- **Level 4:** Complaints Director; \$300 Compliance Fee



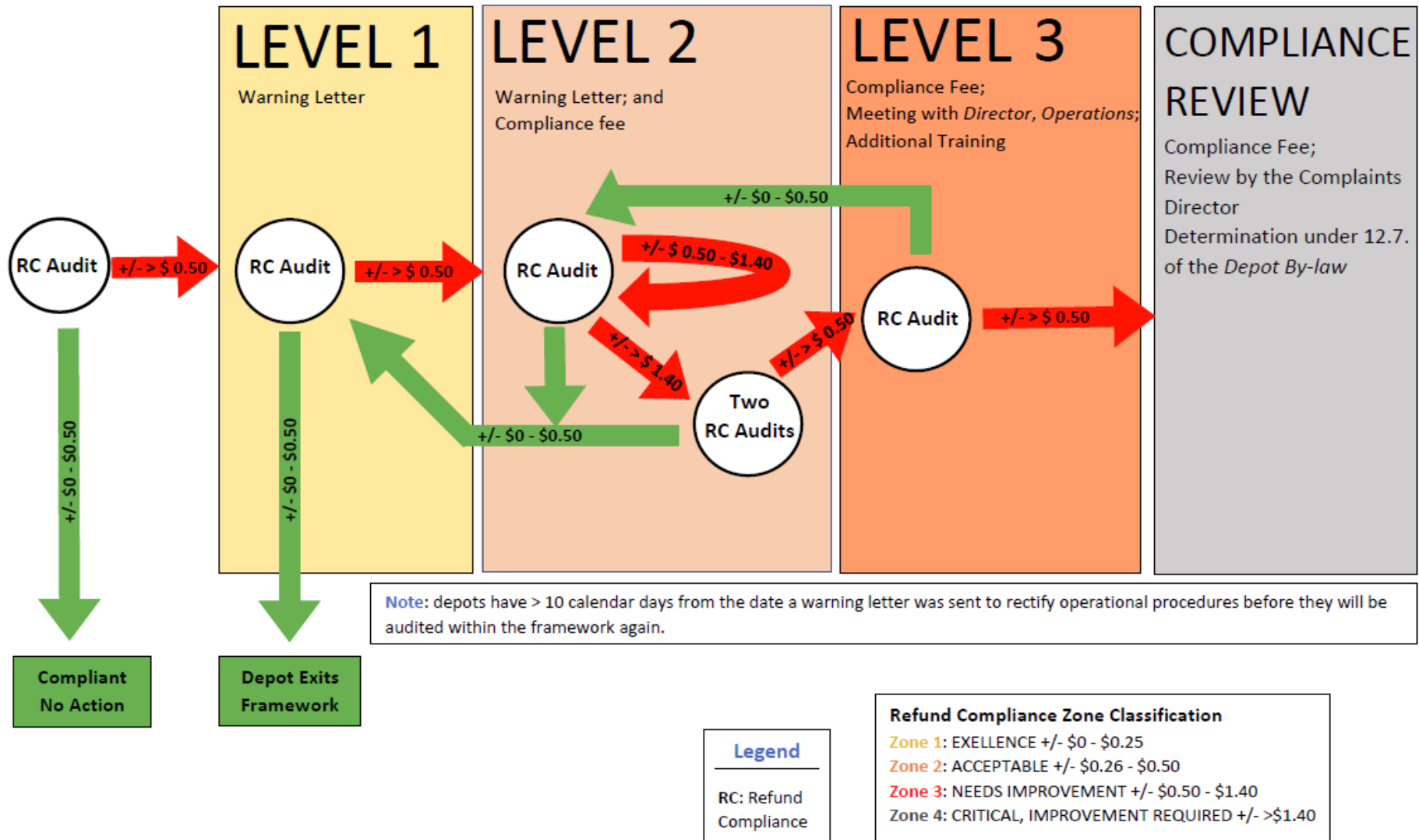
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# Refund Compliance



- Effective February 1, 2019
- There was no prior By-law or framework in place

# Refund Compliance

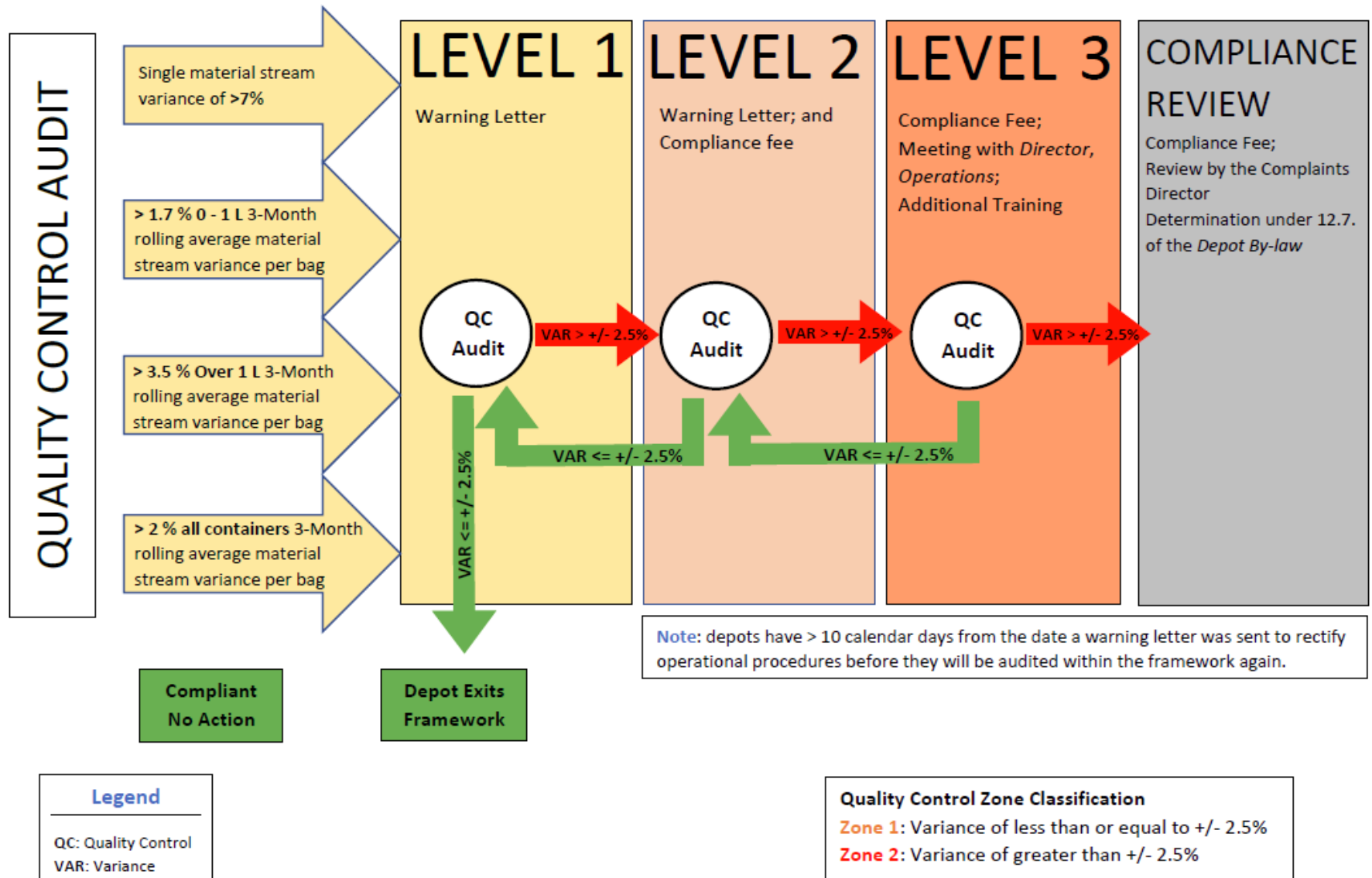


# Quality Control Compliance



- Effective February 1, 2019
- Level 2 is different from the previous QC PAP, Depots can no longer remain static but will move up and down based on performance
- As of December 1, 2018, any Depot that is in PAP at Level 2 or higher will be moved down to Level 1. Any Depot in Level 1 will be moved out of the framework all together

# Quality Control Compliance



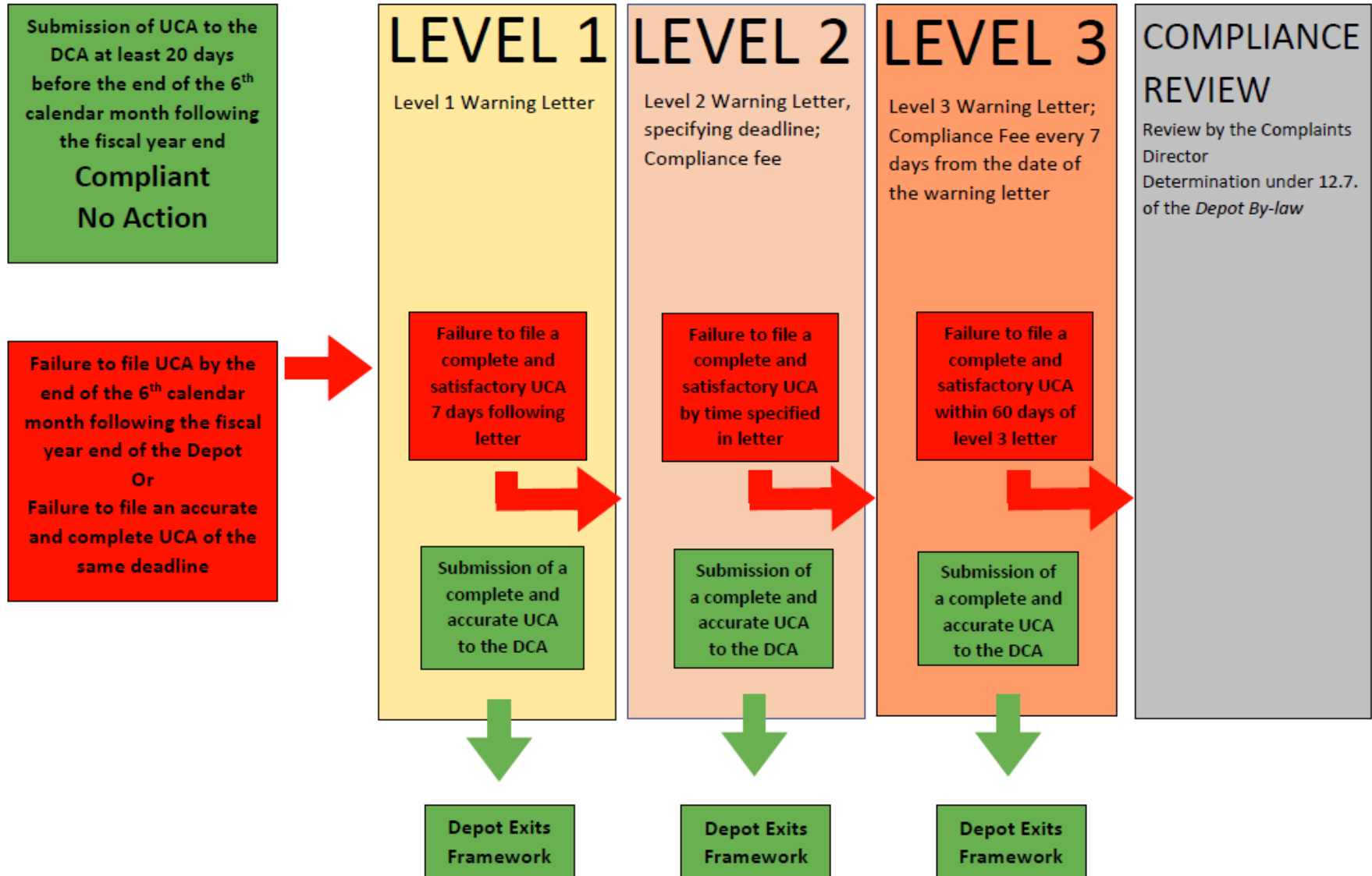


# UCA Compliance



- Effective February 1, 2019
- Now has a standardized framework that did not exist in the previous By-law
- Changes have been made to decrease the length and severity of Compliance Fees and to escalate through the framework instead
- Any Depot with a year end as of December 31, 2018 will fall under the new By-law and be subject to this framework

# UCA Compliance

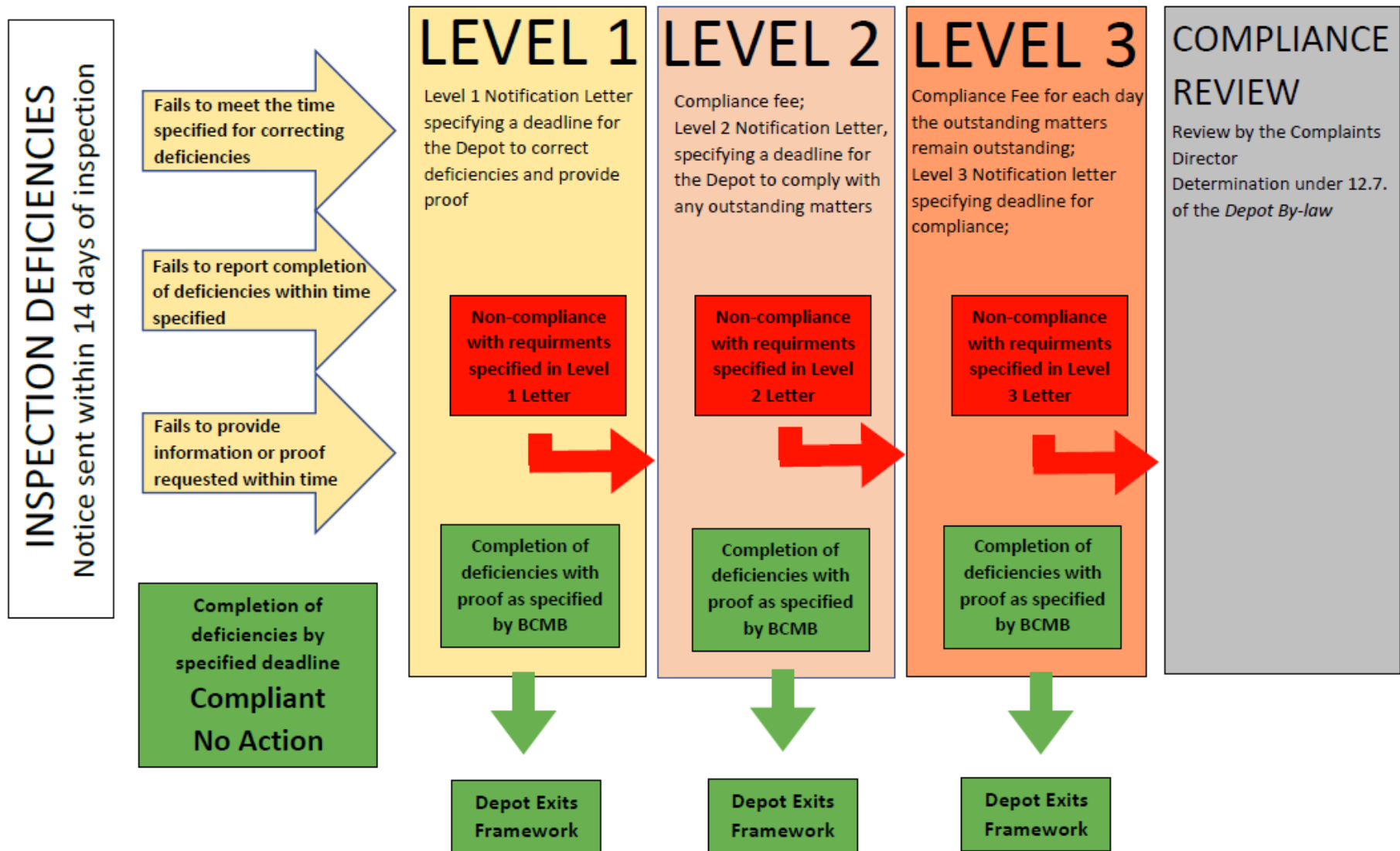


# Operational Compliance



- Effective February 1, 2019
- Although standards existed, there was no framework in By-law previously
- Provides standard timelines and follow-up mechanisms post inspection, to manage and improve non-compliance of operational By-law requirements

# Operational Compliance

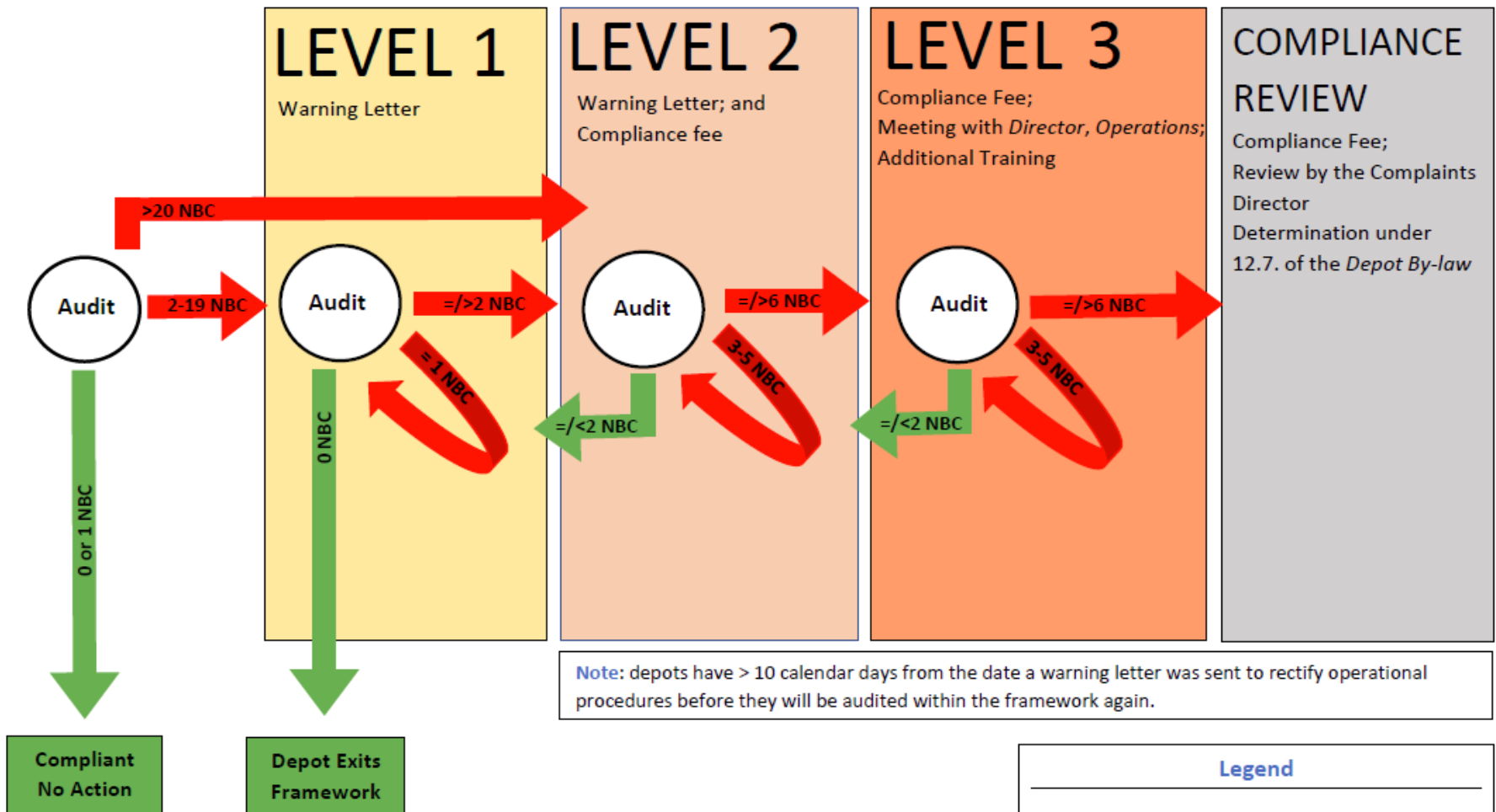


# Non-Beverage Container Compliance



- Effective September 15, 2018
- This By-law remains unchanged and will not require any transition

# Non-Beverage Container Compliance



## Legend

NBC: Non-Beverage Containers

Level 1: Warning Letter

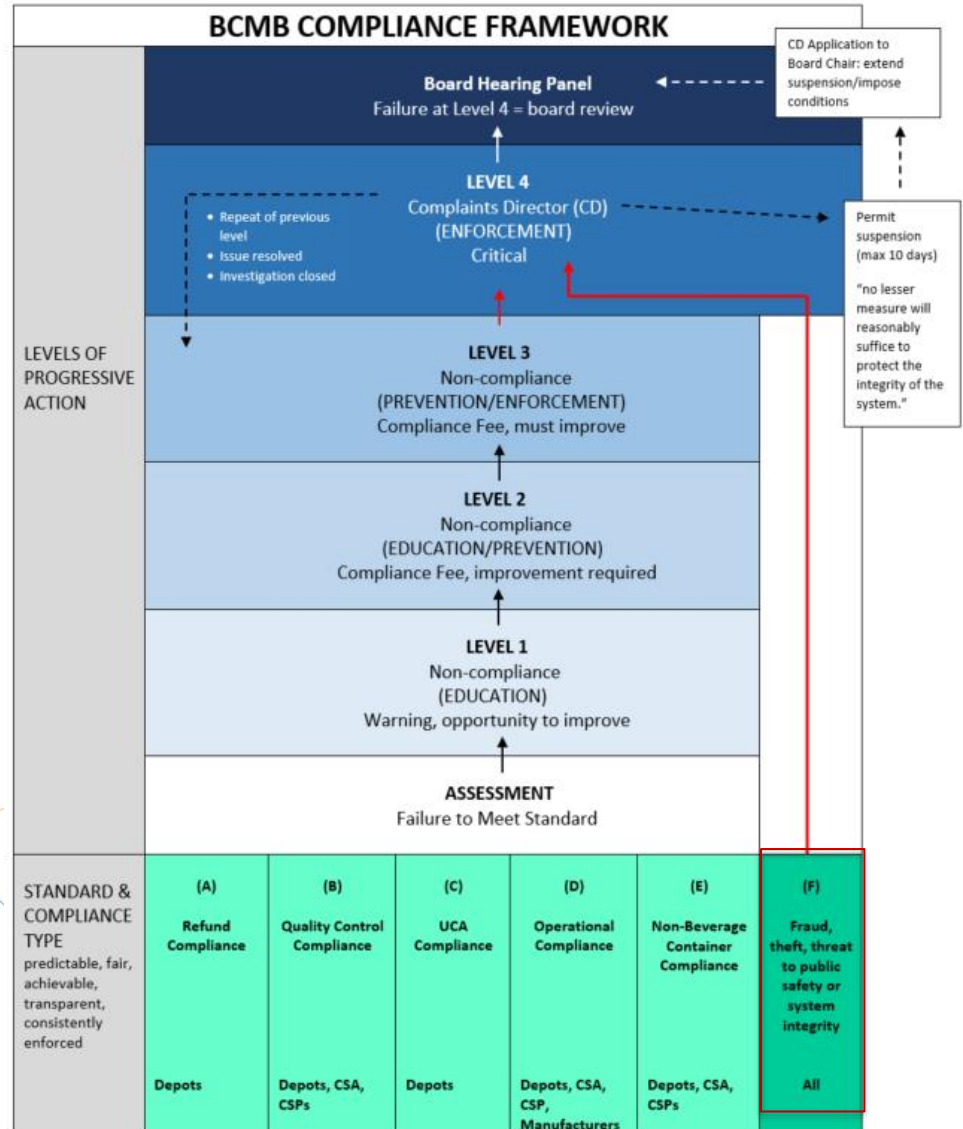
Level 2: Warning Letter; \$300 compliance fee

Level 3: Warning Letter; \$300 compliance fee

Level 4: Complaints Director; \$300 compliance fee

# Direct Escalation to Level 4

Fraud, theft or threats to public safety or the integrity of the system will be escalated directly to the Complaints Director and would not follow the usual progression of a Compliance Framework



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# Electronic Permit Applications Tips



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# A **Brief** Guide to a **Paperless** b mb

# Why Paperless?



Speed



Environmental  
Impact



Privacy &  
Security



Less  
Errors



Document  
Management



# Depot Resources



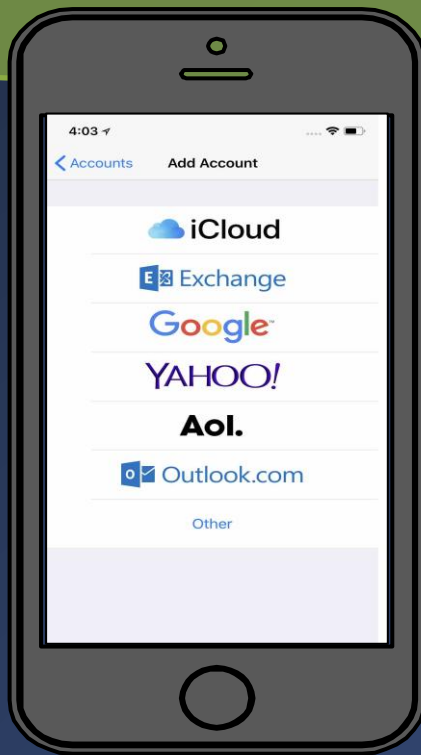
QMS



# Monitor **DEPOT**

It's Worth It

# E-mail Address



## TIPS



- ▶ Add e-mail to phone
- ▶ Enable Push Notifications
- ▶ Calendar/ Tasks
- ▶ Rules/ Folders

# Quality Monitoring System



## Reminders

- ▶ Closure Requests
  - ▶ Hour Changes
  - ▶ Container Validation Requests
- Must** be submitted through QMS



## For QMS Assistance

Alyson Klatt  
[aklatt@bcmb.ab.ca](mailto:aklatt@bcmb.ab.ca)  
780 424 3193 ext 232

Jenn Budd  
[jbudd@bcmb.ab.ca](mailto:jbudd@bcmb.ab.ca)  
780 424 3193 ext 222



# Depot Application Packages

[Home](#) > [Depot Owners/Operators](#) > [Depot Application Packages](#)

Whether you're renewing your Depot Permit or requesting a change to your Depot Permit, be sure to read the applicable Application closely and complete it in full prior to submitting it to the BCMB.

Click the links below to be directed to the corresponding Depot Permit Application:

- [Permit Renewal Application](#) 
- [Change of Location Application](#) 
- [Depot Name Change Application](#) 
- [Minority Shareholder Change Application](#) 
- [Depot Change of Ownership Application](#) 

If you have any questions regarding the Application processes or require further information, please contact a BCMB Compliance Officer. Click the link below to be redirected to the Contact Page.

- [BCMB Contact Page](#) 

## PDF Fillable Permit Packages





# What's new



- ▶ Acknowledgement forms
- ▶ Faster Approval Process
- ▶ E-signatures
- ▶ Specified Permit Applications
  - Depot Name Change
  - Minority Shareholder Change



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What's New

Applying for a Depot

Depot Owners/Operators

Selling a Beverage in Alberta

Contact Us

# Beverage Container Management Board



***How- to:***

Download, fill and save Permit  
Packages

# Depot Application Packages

[Home](#) › [Depot Owners/Operators](#) › Depot Application Packages

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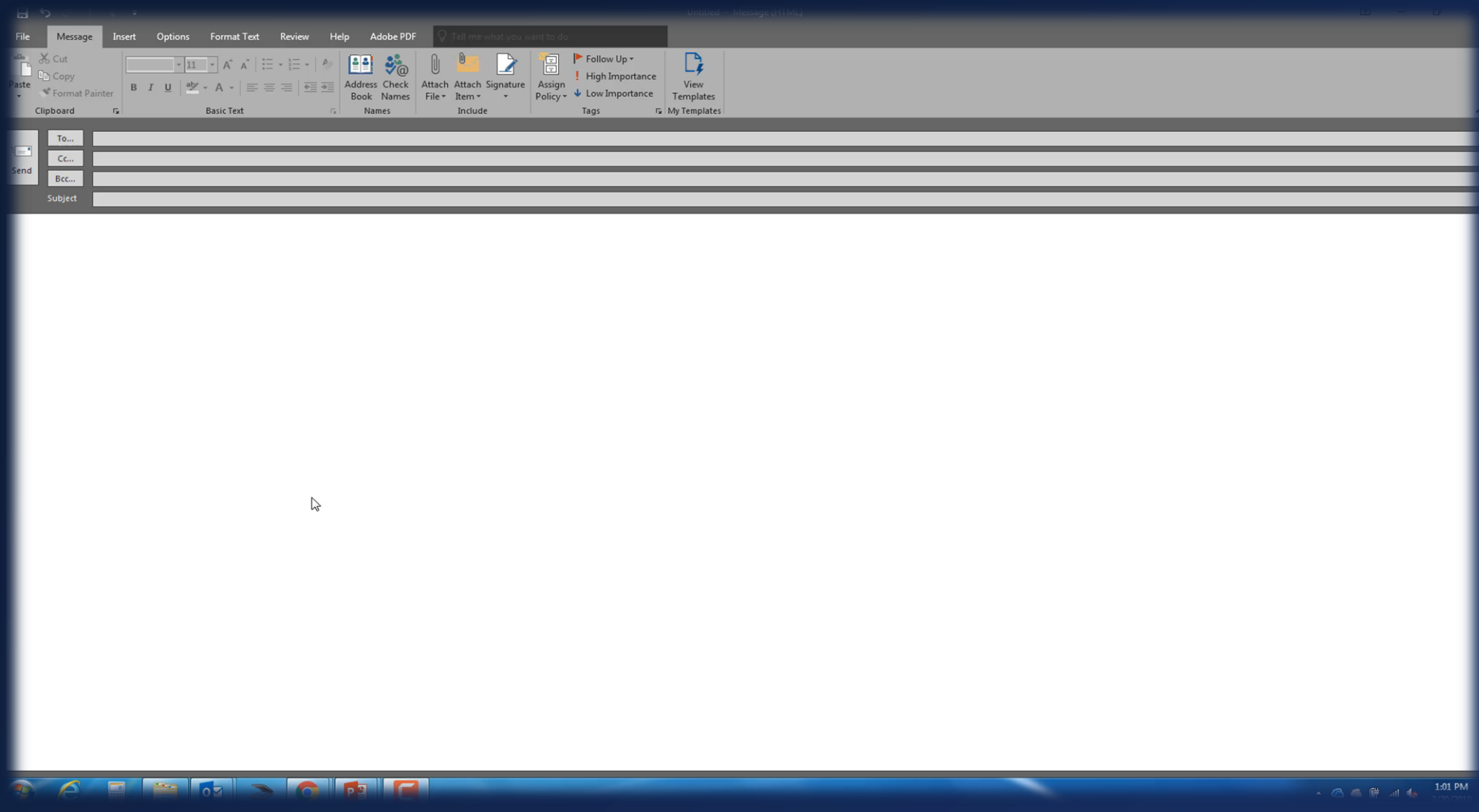
- [BCMB Contact Page](#)

# Basic Instructions



***How- to:***

attach files to e-mail and send



# Basic Instructions

## Compose

E-mail to  
permits@bcmab.ab.ca

## Send

E-mail and application fee

## Attach

Permit Package and all  
required documents

Approval  
From BCMAB





# Payment Methods

## Application Fees

Methods of payment:

- ▶ Bank Draft
- ▶ Cheque



**New:**



- ▶ E-transfer
- ▶ EFT form



***Coming Soon.....***

Online Credit Card  
Payment System

# Helpful Tips



- ▶ Monitor Depot E-mail
- ▶ Permit Package Types
- ▶ Adobe
- ▶ Review before submitting
- ▶ Keep Original Copies
- ▶ *Ask for help*

# *For more Information on:*



## Permit Packages

**Michelle Winmill**  
mwinmill@bcmb.ab.ca

**Ashley Banks**  
abanks@bcmb.ab.ca



**Alyson Klatt**  
Aklatt@bcmb.ab.ca

**Jenn Budd**  
jbudd@bcmb.ab.ca



# Depot Benchmarking Reports



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## BDL Update



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# BDL UPDATES



# ANNOUNCEMENTS

- New Director of Sustainability Rachel Morier
  - 10 years combined experience in sustainability, consulting and project management for packaging

## ANNOUNCEMENTS - CONTINUED

### MTE / BDL Relocating - EDMONTON

- Move will take place July 6-7, new building will go live July 8
- Contact info will remain the same and should be minimal affect to depot network during the transition



## CONTACT INFO

### **BDL NORTHERN ALBERTA**

EDMONTON WAREHOUSE (780)732-6537

Hours of operation 8:30 AM TO 5:00 PM

### **BDL SOUTHERN ALBERTA**

CALGARY WAREHOUSE (403) 531-1085 / (403) 531-1063

CALGARY DISPATCH (403) 531-1060

Hours of operation 6:30 AM TO 10:30 PM

**Advisor Empty Containers - Jace Hunter**

604-340-1508 / [Jace.Hunter@BDL.ca](mailto:Jace.Hunter@BDL.ca)



## ABCRC NAV System Update



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# NAV UPDATE



# NAV UPDATE

- Current Status
  - New partner to improve NAV
  - NAV specialist hired
    - Improve ABCRC staff's understanding and use of NAV
    - Priority given to improving depot related impacts

## NAV UPDATE

- Key Improvements in 2018:
- Improve Shipping Container Tracking & Reporting
- Payment Compliance of 99.99% from Jul 1 – Dec 31

## NAV UPDATE

- 2019 & Beyond:
  - Improve performance with a focus on Depot services
    - Develop business intelligence for Industry Portals
    - Shipping Container Activity Report
      - Improve/automate reconciliation of inventories
      - Post Shipping Container Activity Report after each batch

## NAV UPDATE

- 2019 & Beyond:
  - Improve quality and roll-out of improvements
  - Build staff capacity & comfort with NAV

## NAV UPDATE

NAV is better today than it was a year ago,  
but more improvements to come.



## 2019 BAG TAGS & RBILLS

- An annual supply of Bag Tags & Rbills were shipped by Feb 22/19 to all Depots (either FedEx or Canada Post)
- New Rbills also supplied (10 emergency copies for depots who use eRBill)
  - New Rbills comply with transportation regulation requirements
  - Will be come mandatory when new Service Agreement is approved in June

## 2019 SPRING VOLUMES

- Manufacturer sales are fairly constant (slight up-tick)
- Recovery Volumes in February were down 29 million units
  - 13-million units in the south
  - 16-million units in the north

## 2019 SPRING VOLUMES

- Recovery Volumes expected to recover in March (warmer forecast)
- Assuming all units that didn't come back in February do so in March
- An average of 8.25 loads per day are expected at ABCRC's plants

# 2019 SPRING VOLUMES - ALBERTA

## Forecast Recovery Volumes 2019 (Total)

(in Millions)

	1) Avg	2) 2014	3) Budget	4) Adjusted	Change	% change	# of Loads	# of loads change
Jan	152	152	148	152	5	3.11%	2539	77
Feb	99	99	128	99	(29)	-22.49%	1656	-481
Mar	151	147	149	180	31	20.56%	3001	512
Apr	170	172	173	170	(3)	-1.96%	2832	-57
May	192	194	192	192	(1)	-0.28%	3193	-9
Jun	176	172	178	176	(1)	-0.74%	2939	-22
Jul	197	208	200	197	(3)	-1.45%	3291	-49
Aug	195	180	197	195	(2)	-1.14%	3254	-38
Sep	174	182	180	174	(6)	-3.12%	2901	-94
Oct	169	177	171	169	(2)	-1.34%	2817	-39
Nov	135	125	137	135	(1)	-0.79%	2259	-18
Dec	124	128	125	124	(1)	-0.51%	2074	-11
	<b>1,936</b>	<b>1,937</b>	<b>1,978</b>	<b>1,965</b>	<b>(14)</b>	<b>-0.69%</b>	<b>32756</b>	<b>-229</b>

1) Forecast based on Historical Volume distribution - 8 Year Average

2) Forecast based on Historical Volume distribution - Year 2014

3) As per 2019 budget

4) Adjusted due to Feb volumes

# 2019 SPRING VOLUMES - NORTH

## Forecast Recovery Volumes 2019 (North)

(in Millions)

	1) Avg	2) 2014	3) Budget	4) Adjusted	Change	% change	# of Loads	# of loads change
Jan	73	73	74	73	(2)	-2.31%	1210	-29
Feb	51	51	64	51	(13)	-20.38%	856	-219
Mar	77	75	75	90	15	20.21%	1506	254
Apr	88	85	87	88	0	0.48%	1461	8
May	100	105	97	100	3	3.14%	1662	51
Jun	90	86	89	90	0	0.31%	1495	5
Jul	99	106	101	99	(2)	-1.83%	1650	-31
Aug	100	92	99	100	0	0.18%	1659	3
Sep	88	93	90	88	(2)	-2.36%	1471	-36
Oct	86	90	86	86	(0)	-0.06%	1436	-1
Nov	67	61	69	67	(2)	-2.84%	1113	-33
Dec	60	63	63	60	(2)	-3.94%	1008	-42
	<b>978</b>	<b>980</b>	<b>995</b>	<b>991</b>	<b>(4)</b>	<b>-0.42%</b>	<b>16527</b>	<b>-70</b>

1) Forecast based on Historical Volume distribution - 8 Year Average

2) Forecast based on Historical Volume distribution - Year 2014

3) As per 2019 budget

4) Adjusted due to Feb volumes

# 2019 SPRING VOLUMES - SOUTH

## Forecast Recovery Volumes 2019 (South)

(in Millions)

	1) Avg	2) 2014	3) Budget	4) Adjusted	Change	% change	# of Loads	# of loads change
Jan	80	80	73	80	6	8.59%	1329	106
Feb	48	48	64	48	(16)	-24.65%	800	-262
Mar	74	72	74	90	15	20.69%	1493	256
Apr	82	86	86	82	(4)	-4.84%	1366	-70
May	92	89	95	92	(4)	-3.70%	1533	-59
Jun	86	86	88	86	(2)	-2.59%	1433	-39
Jul	99	102	100	99	(0)	-0.49%	1651	-9
Aug	96	87	98	96	(2)	-2.35%	1597	-39
Sep	87	89	89	87	(3)	-2.91%	1445	-44
Oct	84	86	85	84	(2)	-1.79%	1393	-26
Nov	68	64	68	68	0	0.37%	1136	5
Dec	64	67	62	64	2	2.46%	1062	26
	<b>958</b>	<b>957</b>	<b>983</b>	<b>974</b>	<b>(9)</b>	<b>-0.93%</b>	<b>16238</b>	<b>-155</b>

1) Forecast based on Historical Volume distribution - 8 Year Average

2) Forecast based on Historical Volume distribution - Year 2014

3) As per 2019 budget

4) Adjusted due to Feb volumes



## ABDA/ABCC Agreement



BEVERAGE CONTAINER MANAGEMENT BOARD

# 2018 ABDA – ABCC SERVICE AGREEMENT



ZACH MANNTAI, PROGRAMS, MANAGER ALBERTA BOTTLE DEPOT ASSOCIATION





LAST UPDATED IN 2004

- Back when ABCC/BDL collected all beer, including non-refillable Glass, Aluminum and Bi-Metal!
- Back when Sleeman's was the only Private Mold
- Back when there were 3 Audit Zones
- Back when the ABDA Office was in Calgary

- Removed irrelevant language around things like Megabags and non-refillable containers
- Removed references to CSA/ABCRC

- As the Service Agreement has been updated to reflect current practices for sorting and shipping refillables, you can expect minimal changes to your operations. Updates to the document include:
  - Clarified Roles and Responsibilities of both Depots and ABCC/BDL
  - Aligned Language with the Service Agreement with ABCRC
  - Added all current Private Mold Containers (Schedule “A” & “B”)
  - Updated Scheduling of Pickup expectations (Schedule “D”)
  - Updated Reconciliation and Quality Control Practices (Schedule “F”)

# UPDATED BOTTLE HANDLING GUIDE COMING

## Industry Standard Bottle (ISB)

Container Code: 1  
Quantity per layer: 24 dozen / 288 units  
Layers per pallet: 5 or 7



## Non-Useable Refillable Bottle (Dirty, Obsolete, Damaged)

Container Code: 44  
Quantity per layer: dependent on volume  
Layers per pallet: dependent on volume – *refer to palletization requirements*



## Molson Genuine Draft

Container Code: 311  
Quantity per layer: 24 dozen / 288 units \*  
Layers per pallet: dependent on volume –  
*refer to palletization requirements*



## Steam Whistle

Container Code: 865  
Quantity per layer: 24 dozen / 288 units \*  
Layers per pallet: dependent on volume –  
*refer to palletization requirements*



## Moose Head

Container Code: 903  
Quantity per layer: 24 dozen / 288 units \*  
Layers per pallet: dependent on volume –  
*refer to palletization requirements*



## Sleeman

Container Code: 1401  
Quantity per layer: 24 dozen / 288 units \*  
Layers per pallet: dependent on volume –  
*refer to palletization requirements*





## ABDA/ABCRC Service Agreement



BEVERAGE CONTAINER MANAGEMENT BOARD

# TOWN HALL MEETING

*Radisson Hotel &  
Conference Centre  
Calgary Airport*

*6620 36 St NE  
Calgary, AB T3J 4C8*

**MONDAY**

**March 25, 2019**

**11:00 AM - 2:00 PM**

**Registration Required  
Live Web Stream Available**





## Glass QC Update

# GLASS QC UPDATE





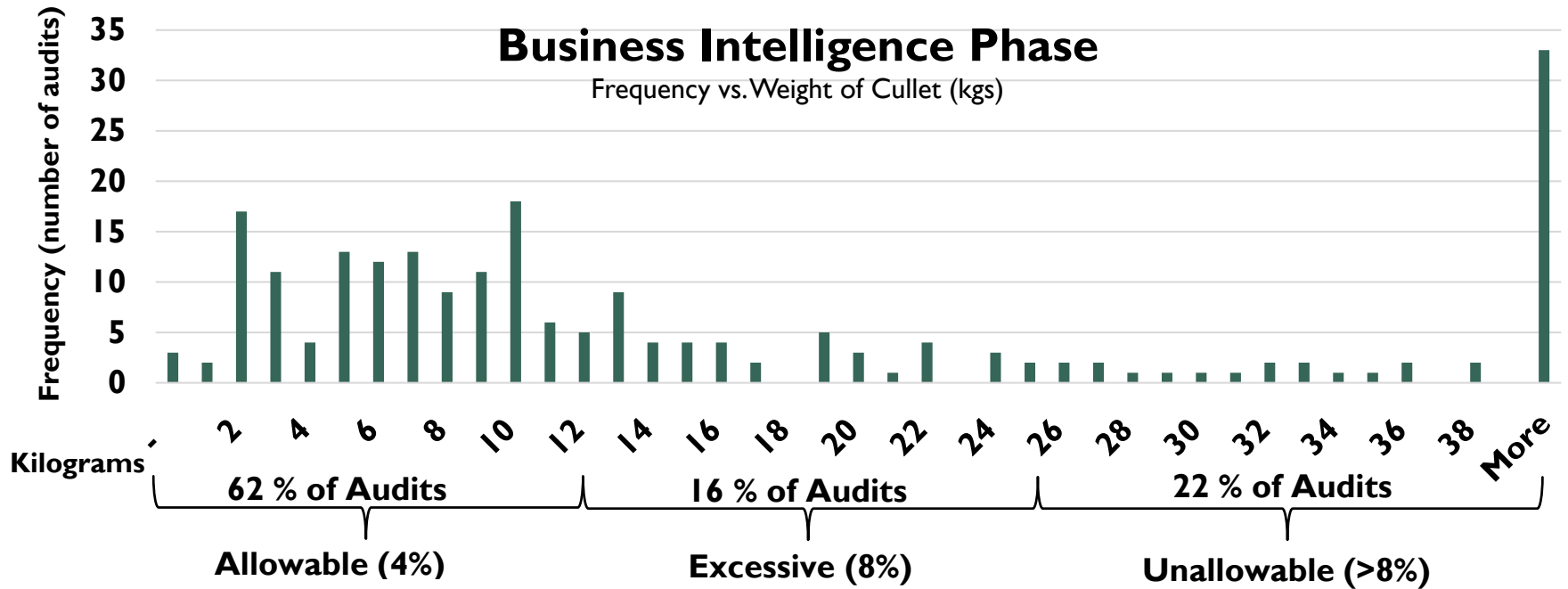
## COLLECTION OF BUSINESS INTELLIGENCE (BI)

- BCMB, ABDA and ABCRC audited over 216 Glass bags in 2017 & 2018
- ABDA or BCMB selected the glass bags from those received at ABCRC's facilities
- Whole containers were counted into 5-different 'size categories' and the weight of each category was determined and from the total sample size a weighted average weight per container was established
- Cullet found in each bag was poured into boxes and weighed separately
- The individual audit data was compiled into a spreadsheet which was shared with all 3-parties

## BI RESULTS (216 AUDITS excludes outliers)

■ Average Expected Counted Reported by Depots	1,006
■ Average Whole Containers Found in Audit	903
■ Equivalent Whole Containers (converted from average cullet weight – 19.44 kg)	58
■ Total Whole Containers	961
■ Shortage of Whole Containers from Expected Count	45
■ Shortage as a percentage of Expected Count	4.5%
■ Based on Annual Volumes (overpayment to depots)	\$1.38 Million

# RESULTS



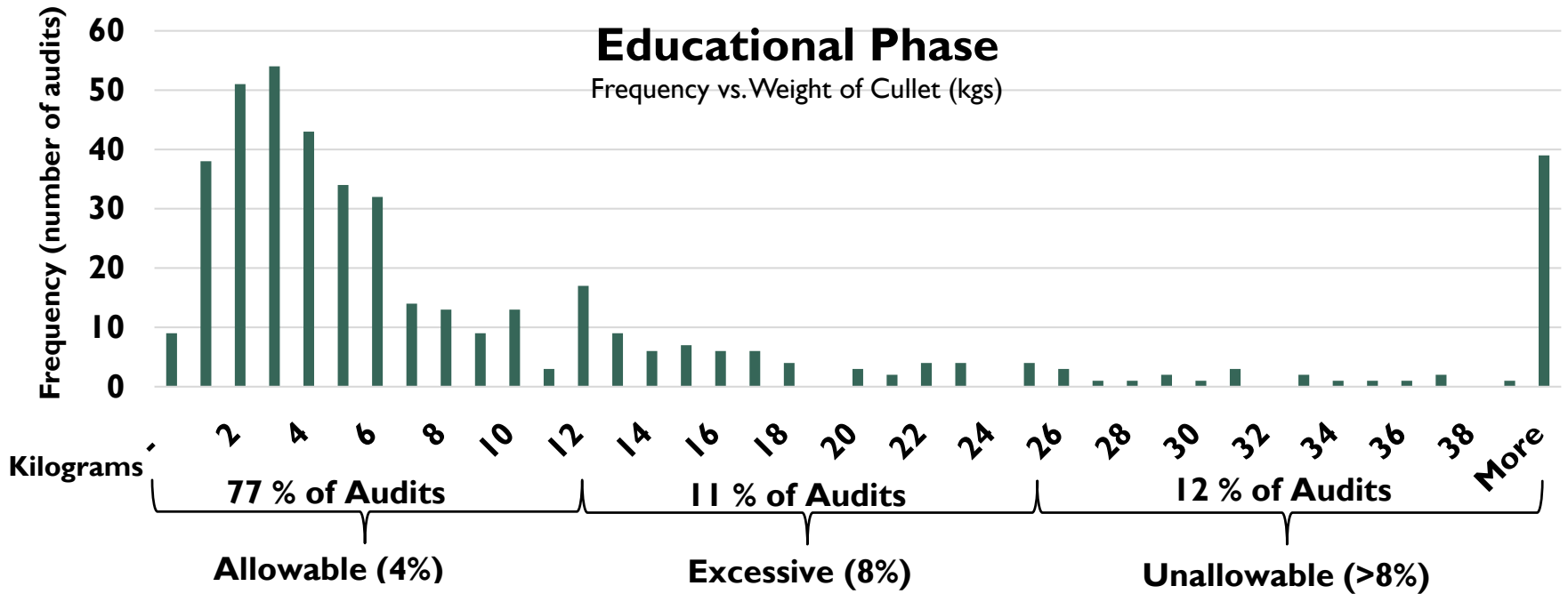
## EDUCATIONAL AUDITS (Q3 & Q4 – 2018)

- ABCRC completed 443 educational audits
- Sample ASR's were communicated to the depot network via QMS, **BUT** no financial adjustments were made.
- Key Findings from Educational Audits:
  - Whole Container count vs. Expected Counts - shortage of 8.6% of containers.
    - (which was still a 16% improvement over BI Phase)
  - Average of 12.8 kg of cullet per bag.
    - (which was still a 34% improvement over BI Phase)
  - The cullet only account for 45% of the missing containers.

## EDUCATIONAL AUDIT RESULTS (443 AUDITS)

■ Average Expected Counted Reported by Depots	985
■ Average Whole Containers Found in Audit	900
■ Equivalent Whole Containers (converted from average cullet weight – 12.83kg)	38
■ Total Whole Containers	938
■ Shortage of Whole Containers from Expected Count	47
■ Shortage as a percentage of Expected Count	4.7%
■ Based on Annual Volumes (overpayment to depots)	\$1.44 Million

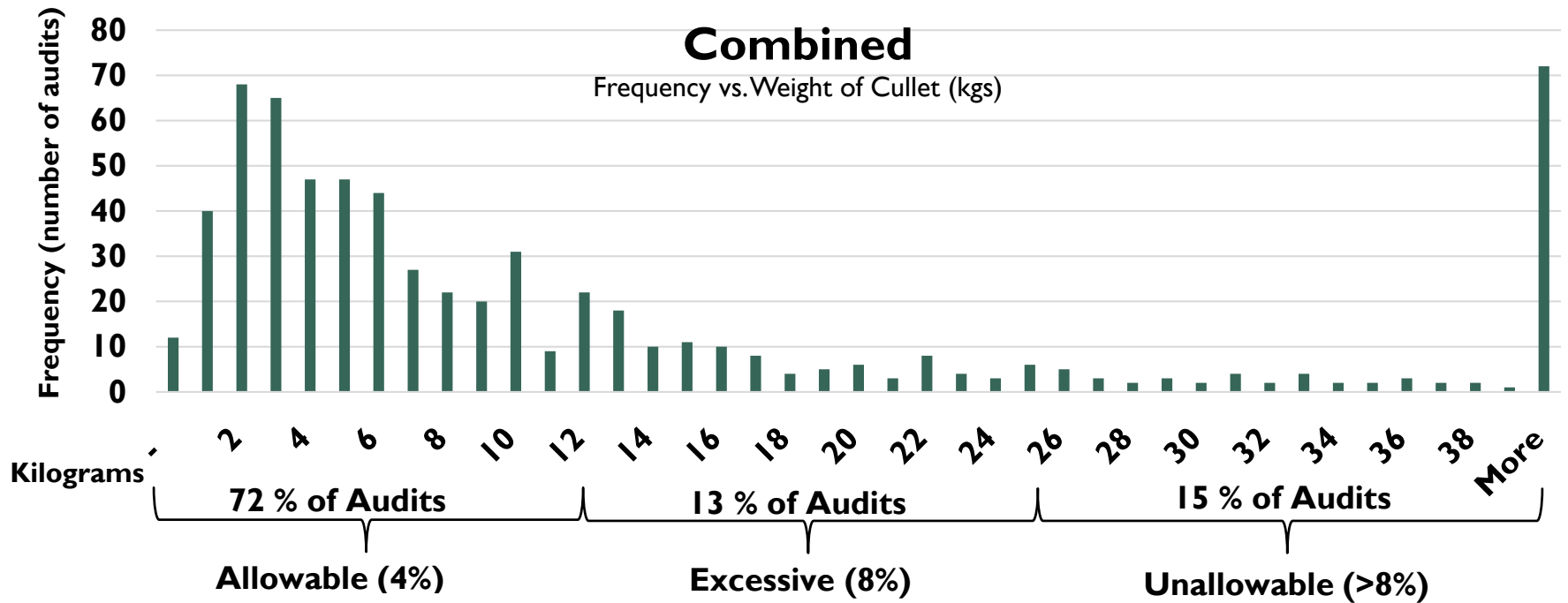
# RESULTS



## COMBINED RESULTS (659 AUDITS)

■ Average Expected Counted Reported by Depots	991
■ Average Whole Containers Found in Audit	901
■ Equivalent Whole Containers (converted from average cullet weight – 14.79kg)	44
■ Total Whole Containers	945
■ Shortage of Whole Containers from Expected Count	46
■ Shortage as a percentage of Expected Count	4.7%
■ Based on Annual Volumes (overpayment to depots)	\$1.42 Million

## RESULTS (BASED ON COMBINED)





## GLASS AUDITS WITH LESS THAN 39 KG OF CULLET

	Average Weight (kg)	Equivalent Containers	% of Expected
All Glass Audits $\leq$ 39 kg			
Number of Depots	191		
Number of Bags	587		
Average cullet weight	8.23	25	2.6%

## GLASS AUDITS WITH MORE THAN 39 KG OF CULLET

	Average Weight (kg)	Equivalent Containers	% of Expected
All Glass Audits > 39 kg			
Number of Depots	29		
Number of Bags	72		
Average cullet weight	71.33	213	22.2%

## AUDITS WITH 39 KG OF CULLET (OR MORE)

- 72- bags from 29-depots
- Found to have between 39.15 kg – 185.95 kg of cullet
- Equivalent of between 117 and 556 equivalent containers

## AUDITS WITH 39 KG OF CULLET (OR MORE)

- 8 – depots responsible for 39 bags (54.2% of 'worst' bags)
- Average cullet weight of 71.3 kg
- 8 Depots represents 3.6% of total depots

# IMPACT OF TRANSPORTATION

- Does the transport of glass bags contribute to breakage?
- Based upon the Educational Phase Audits (443 audits) the data shows that:

Distance from ABCRC Plant	Average Cullet Weight
0 – 100 km	15.77 kg
100 – 250 km	10.77 kg
250 – 500 km	7.26 kg
> 500 km	3.57 kg

## GLASS QC UPDATE

- BCMB Approved Protocol
- Protocol tested/audited by BCMB in January 2019
- Glass ASR being finalized by middle of March

## AUDIT PROCESS

- ABCRC will count Whole Containers and Weigh Cullet
- Cullet Conversion:
  - Only applies when a shortage of whole containers exists.
  - Grouped as Allowable ( $\leq 4\%$ ), Excessive (4.01% - 8.0%) and Unallowable ( $> 8\%$ )
  - Cullet conversion applies to bag in which it is found

## IMPACT OF 4% & 8%

- If Expected Count is 1,000 bottles of 1 Litre & Less Glass
- An allowance of 4% equates to 40 units (converted from cullet)
- 40 units equates to 13.4 kg of cullet
- Based upon ABCRC's proposed adjustments
  - Up to 13.4 kg of cullet may be eligible for deposits & handling commission
  - Up to an additional 13.4 kg of cullet may be eligible for deposits only
- Depots may be compensated to varying degrees for 26.8 kg of cullet per bag (or 80 containers)



## GLASS QC UPDATE

- Adjustments:
  - Results to be classified as per Service Agreements Zone definitions
  - Extrapolation will apply to other glass bags on the load if a Zone 2 result
  - BCMB to determine entry into PAP process based on results.

## CONCLUSIONS

- The majority of audits will not have an impact on Depot Operators.
- With minor improvements, 88% of the audits will result in full deposit & handling commissions paid to Depot Operators.
- Only Depots Operators with excessive shortages and cullet amounts will be negatively impacted.



Q&A session and  
Conclusion