

## INTRODUCTION

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In December 2008 the Manitoba Government brought forward its Packaging and Printed Paper Regulation and Guidelines under the WRAP Act. Included in the Guideline is a requirement applied only to the beverage sector – the stewards of beverage containers must achieve a 75% diversion target. All beverage stewards are obligated to achieve this 75% recovery target by joining CBCRA or by submitting their own Plan to provide province-wide collection in order to achieve the target.

Given that approximately 30% of beverage containers are purchased and disposed of outside the residential system, and that many beverage deposit systems in Canada and North America do not achieve a 75% diversion rate on their own, the beverage sector realized that the residential blue box system alone would not be sufficient to meet the 75% target. In response, the beverage companies created the Canadian Beverage Container Recycling Association (CBCRA).

This Plan outlines the steps CBCRA will undertake to ensure that beverage container diversion in Manitoba meets the legislated target of 75%. CBCRA is committed to achieving the 75% recovery target through the promotion of effective residential collection and the implementation of a province-wide away-from-home beverage container collection channel.

Beginning April 1, 2010, CBCRA started collecting from participating beverage producers a \$0.02 CRF (Container Recycling Fee) based on producer sales of sealed ready-to-serve beverage containers. In order to reduce the administrative burden for obligated stewards, CBCRA will assist all beverage stewards to discharge their beverage container-related obligations, both financial and reporting.

With the goal of achieving the 75% diversion target, CBCRA has designed a cohesive and incremental strategy that focuses on the following three elements: Promotion and education (P&E), expanding recycling infrastructure in away-from-home environments, and business intelligence to compile baseline information on recycling behaviour.

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## CBCRA PRINCIPLES

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The following principles have informed the design and presentation of this program plan:

- **Industry Management:** Guided by the concept of producer responsibility, producers will share the cost of managing their beverage containers and take an active role in ensuring that beverage containers are recovered in the most effective and efficient manner.
- **Effective and Efficient Program Delivery:** To deliver an effective and cost-efficient program, CBCRA will engage in realistic program scope and planning, cost/benefits analysis, and will leverage existing resources to avoid duplicating efforts.
- **Equitable Cost Sharing:** To ensure that all members and participants pay their fair share of total program costs, there will be no cross-subsidization between beverage material types.
- **Container Recycling Fee (CRF):** CBCRA introduced a \$0.02 container recycling fee (CRF), provided by participating beverage companies and distributors; the CRF rate will be reassessed annually. CBCRA will ensure that it maintains a surplus cash flow sufficient to meet annual operating costs and in accordance with GAAP.
- **Expanding Consumer Accessibility** to away-from-home recycling options.

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## **AWAY-FROM-HOME PROGRAM**

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### **Program Scope**

The program scope for Year 1 and 2 will focus on enhancing recycling opportunities in the Public Space and IC&I segments and improving residential collection performance.

**Public events and festivals** - CBCRA will work with organizers at public events and festivals to increase collection and raise awareness of waste reduction and recycling issues. CBCRA will work with event organizers and other potential partners.

**Municipalities** - The program will work with municipalities to establish beverage container recovery systems on key streetscapes, parks, and other public outdoor spaces.

**Small IC&I** - The small IC&I (Industrial, Commercial, and Institutional) program will work with businesses and other potential partners to establish beverage container recovery systems at key locations (i.e. where beverages are typically consumed and discarded on the spot, including shopping malls, convenience stores, fast food outlets, and gas stations).

**Government Buildings** - The program for Government and Crown Corporation buildings will ensure that all Government buildings have a beverage container recovery program.

### **Beverage Container Recycling P&E and Awareness Campaign**

The ultimate objective of the campaign is to increase awareness of away-from-home recycling options and change consumer behaviour in order to attain a recovery target of 75%.

Communication strategies will focus on building awareness of the options for, and the importance of, recycling in away-from-home environments. CBCRA intends to use the following communications tactics to effectively promote the away-from-home recycling program: research, paid advertising (print, radio, billboards, public transport, etc), event partnerships, celebrity endorsements, school programs, and earned media relations.

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## **PROGRAM REPORTING**

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### **Reporting System**

In order to assist the beverage industry to report on their sales into market and to contribute the CRF, CBCRA will develop a web-based reporting system. The Reporting System will ultimately function as a single component in a larger administrative system that includes customer service tracking and a Material Tracking System (MTS).

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## **PROGRAM COSTING & TIMELINE**

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### **Program Costing**

Forecasts of revenue and spending are drawn conservatively in order to minimize the organization's financial risk in its initial start-up phase. The various program budgets are based on best estimates for what these programs will cost with a balance of "visibility and volume" goals.

### **Funding Mechanism**

The revenue from the CRF is intended to cover the cost of beverage container collection in all collection channels including the residential collection administered by MMSM, as well as financing P&E, and program operations.

CBCRA will evaluate in 2011 the relative costs of collecting and processing different types of beverage containers from the key away-from-home collection points through a cost allocation exercise in order to arrive at differentiated fees for each container type and size.

Once CBCRA transitions to differential CRFs, fee-setting will be based on a three-step methodology that will calculate an individual CRF for each material grouping. The methodology will be approved by the Manitoba Government before being implemented.

CBCRA will provide to the Manitoba Government each year a communications plan that shows how it will work with beverage producers as well as retailers:

- a. To ensure that consumers are aware of:
  - why a CRF is being collected
  - how the CRF is used to recover and recycle the beverage containers purchased by the consumer
- b. To ensure consistency in CRF rates and
- c. Consistency in communication about the CRF across all retail sectors

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### **PROGRAM GOVERNANCE**

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The CBCRA Board is governed by its founding members. These members include representatives from:

- Canadian Council of Grocery Distributors (now merged with Retail Council of Canada)
- Cott Corporation
- Dairy Processors Group
- Nestlé Waters Canada
- Refreshments Canada
- Sun-Rype Products

### **Annual Report**

After the conclusion of the fiscal year (calendar year), and in accordance with its commitment to transparency and openness, CBCRA will publish an annual report detailing the operations of the organization and the performance of the program.