

# Message in a Bottle



BC Bottle & Recycling Depot Association

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## **BCBRDA Response to RecycleBC Consultations**

Thank you for the invitation to attend the recent RecycleBC consultations in November at the Anvil Centre in New Westminster. As you are aware the BCBRDA represents member bottle and recycling depots across the province of BC.

During the course of the two day consultation program I had the opportunity to discuss the concerns of our members with RecycleBC staff, and as well gather information from non member depots and other stakeholders regarding their experience as collectors and members under the MMBC /RecycleBC program.

The first concern I have is that predetermined handling fee schedules were delivered as part of information sent out to depots in advance of the event. The event offered nine workshops with various topics of discussion and yet there was no workshop to discuss handling fees, rising depot costs or the changes to the scope of work that will increase depot costs when the new RecycleBC contract comes into effect early next year.

To my knowledge and from conversations I had with depot operators at the event no attempt was made by Recycle BC prior to or during this event to formulate a process or methodology to determine the real costs of handling materials that are captured under the RecycleBC program. Attendees were invited to send in their comments but that does not replace or constitute a full conversation on these important issues.

Secondly I have concerns over the long term operations of this and other EPR programs that rely on commodity sales of materials for all or some program funding. As all are aware China is substantially reducing its contamination rate on commodity recyclable materials which is expected to create a very tight market, lowering material commodity values which will result in less revenues for RecycleBC and ultimately more work for collectors.

During one workshop my question to the presenter and program manager was "How will RecycleBC cope financially in what is expected to be a falling commodity market due to the Chinese Green Sword soon to be in effect, and how will RecycleBC continue to pay current depot handling fees and payments to other service providers?" The reply given to me by the speaker was that it was RecycleBC's problem. I was later told by another EPR steward that stewards have set aside millions of dollars for just that reason.

Last, but of equal concern of our members and some other stakeholders was the lack of an opportunity to discuss the creation of a meaningful dispute resolution for inclusion into the collector and service provider agreements. RecycleBC has cancelled some depot contracts before the term expires and after depots have invested heavily in infrastructure in order to satisfy the requirements of a RecycleBC contract. This has left some depots without a contract and capital debt to bear. Contract offerings should be reflective of investment and return on investment so that depots can be sustainable.

We invite further discussion on these issues and I suggest that I and other representatives of the BCBRDA meet with you and your staff to discuss these concerns further. I will cc the Ministry of Environment on this letter so that they are aware that the BCBRDA would like to pursue a process to determine handling fees and create a meaningful and binding dispute resolution process, both to be included in all contracts.

Yours truly, Corinne Atwood, Executive Director BCBRDA

## CHINA COULD INTRODUCE FURTHER WASTE MATERIAL RESTRICTIONS BY 2019

By [Rob Cole](#) | 12 December 2017 | [Add a Comment](#)

China is eyeing further restrictions on waste imports in the coming years beyond those set to come into force from the start of 2018, according to a new paper by the China Council for International Cooperation on Environment and Development (CCICED). The group, which is an international advisory body consisting of experts from China and the international community in the field of development and the environment in China and includes China's Vice Premier and Li Ganjie, the Environmental Protection Minister, will present the paper at its annual conference in Beijing this week.

While acknowledging the eruption of anxiety amongst exporters in Europe and the US following China's announcement in the summer that it would be banning 'many types of plastics, unsorted scrap paper and some metal scrap' by December 2017, the paper goes on to say that 'a further stop to waste material imports will be in place by 2019' through the substitution of imports with domestic sources of raw and recycled materials.

The waste imports ban is accompanied by a contamination limit for imports of waste 0.5 per cent, higher than the original 0.3 per cent proposed in August but still some way below the current 1.5 per cent limit. These policies follow on from this year's National Sword campaign, which saw a crackdown on the smuggling of foreign waste, and 2013's Operation Green Fence, which sought to reduce the import of low-quality recyclables.

According to the paper, the moves are part of China's 13th Five-Year Plan (2016-2021) and its drive to create an 'Ecological Civilisation' that supports ways of life that are harmonious and respectful of nature, to fulfil the 'Chinese Dream of national rejuvenation' promulgated by the central government and to have China recognised as 'a green beacon for the world community'.

2017 has seen China push forward with its environmental policies, both at home and abroad. Increased compliance inspections on imports, a series of 'War on Pollution' action plans to combat water, air and soil pollution and its embrace of the sharing economy has seen China forge new paths for environmental protection on the home front, while support for the UN Sustainable Development Goals (SDGs) and Paris Climate Agreement has seen China show itself to be willing to take up the mantle on environmental stewardship seemingly discarded by the US under the leadership of Donald Trump.

## California Recycling in the dumps,

As the state's landmark program struggles, CalRecycle might be missing out on millions

By [Michael Mott](#) This article was published on [12.07.17](#).

Every day, Californians pay an extra nickel for their favorite canned or bottled drinks, with the money earmarked to support the state's landmark recycling program. If they return the bottle or can, they get five cents back. But what if the nickel never went to recycling?

California's recycling program could be losing out on \$200 million in California Refund Value (CRV) fees from beverage distributors who are undercounting the number of drinks they sell, according to a Los Angeles-based nonprofit. **Meanwhile, recycling rates have fallen from 84.7 percent in to 80 percent this fiscal year.** Continued.....

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For many, going to recycling centers is a forgotten memory: **Since 2012, more than 950 centers have vanished, a third of the total infrastructure.** The California Department of Resources Recycling and Recovery, or CalRecycle, reports that in Sacramento County, **355 recycling centers have closed shop, leaving 55 for the 1.5 million people paying their five cents.** There's little disagreement: California's recycling system is in crisis. A storm of factors have caused the failure, from plummeting commodity markets to California's stiff recycling legislation, which some say hasn't kept up with market changes. "The program has done amazing things to increase container recycling over the past 30 years," says Heidi Sanborn, executive director of the California Product Stewardship Council. "But we need permanent solutions to fix permanent problems."

Susan Collins, president of the Los Angeles-based nonprofit Container Recycling Institute, or CRI, discovered an audit this September that showed **Walmart underpaid millions of dollars to the state because it underreported the sale of 129.9 million containers from 2011 to 2014. The retail giant "incorrectly coded" 15 percent of the drinks it sold, pocketing \$14.5 million instead of sending it to the state.** Collins thinks there is more. "Consumers are being hit hard twice—thinking they are paying nickels into a recycling program that don't seem to be getting there, and being unable to redeem containers since so many centers have closed," she says. Meanwhile, SN&R found that one of Sacramento County's main recyclers has been unable to sell the stuff it collects, landing it in \$350,000 debt to the county. Overall, Sacramento's recycling program is in trouble.

"We're going from a \$1.2 million-a-year revenue to a \$1.2 million-a-year cost," says Waste Program Manager Doug Kobold. "Until this resolves, we're stuck with that cost. And our \$70 million in reserves is going, quickly."

## **Missing millions**

Collins is a former recycling consultant. As CRI's president, she works on improving recycling nationally. But in California, a worldwide leader in recycling, she often checks CalRecycle's fact sheets detailing the agency's fiscal health. This fall, she compared the most recent report with the one prior and found a surprise: \$18 million in revenue labeled with a short description: "audit findings."

She started asking questions. **CalRecycle revealed that of 66 recycling companies, 50 owed \$18 million to the state. The vast majority of that money—\$14.5 million—was owed by Walmart,** which later paid the state the missing amount with interest, without penalty. Collins is calling for more audits on beverage distributors. CalRecycle spokesperson Mark Oldfield says Walmart was an outlier.

Yet when reviewing reports from 2014 to 2015, Collins found a 3.6 billion container gap between what distributors self-report they sold in California and what CalRecycle found in an on-the-ground study of landfills and recycling. At 5.55 cents per container on average, that's more than \$200 million the state's program could be missing out on.

Oldfield says CalRecycle believes other issues were at play: Contamination of moisture and gunk led to more waste in the 2014 study, and fraudulent material from out-of-state sources was included as part of the state's recycling numbers, he says. But the discrepancy was also found when CRI compared private, industry-used data with CalRecycle's reports, Collins says. She hopes for more audits since, she says, audits generate \$3 in revenue for every \$1 spent.

Oldfield says CalRecycle does plan to audit the major distributors next year, as well as a "significant subset" of smaller ones to learn if there is broad underreporting. "Even if there is, it will pale in scale," Oldfield says. "We know there are a handful of small distributors that haven't been paying, and we are working on developing collection measures. The big players pay the vast majority." If there are significant revenues that aren't being collected, "we have yet to be provided any substantive documentation or evidence," he says. Collins responds: "CalRecycle is the authority to audit these companies. I've shown them how we calculated our numbers."

Meanwhile, the recycling system struggles. Heidi Sanborn's Product Stewardship Council works in carpet recycling, so she rarely deals with can-and-bottle recycling. While she concedes that she's not an expert, she says the audit program should be strong. **"It's always 'follow the money,' she says. "If people have a financial incentive to benefit from underreporting, that should be examined more closely."** In three Northern California counties, there are no recycling centers. Del Norte County reached a breaking point in late September, when the rural Northern California county of just 30,000 people lost Julindra, its only recycler.

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## California Recycling in Crisis continued.....

“The reality is, the scrap market value has plummeted, and CalRecycle’s subsidy program hasn’t kept them open,” says Tedd Ward, director of the Del Norte Solid Waste Management Authority, which held a contract with Julindra. “If you can’t get your nickel back without traveling 70 miles, you’re being charged for a service that’s functionally not available.” Ward indicated several factors: State-subsidized recycling businesses not keeping up with market changes; thinner plastic, meaning bottles weigh less (with less CRV value); and **China implementing harsher restrictions on the recycled products it buys.**

Two recycling bills were introduced this year: Senate Bill 102, which would give a temporary reprieve to recycling businesses by resetting the subsidy rates; and Senate Bill 458, which would provide relief in redemption centers through five pilot programs to take bottles in unique ways.

SB 102 failed to come for a vote. Mark Murray of Californians Against Waste, lead advocate of the bill, says he hopes it comes back in January. Gov. Jerry Brown signed SB 458 in October. One of SB 458’s pilot programs is in San Francisco. The city saw Safeway and other grocery stores close the recycling centers in their parking lots—opting instead to pay the state a fine. Currently, stores with \$2 million in sales of canned and bottled beverages trigger a “convenience zone” clause, requiring that they provide for recycling unless they are located within a mile of a recycling center. Failing that, they must pay \$100 a day.

CalRecycle says most retailers have promised to take in-store recycling. The agency confronts retailers only when it receives a consumer complaint—fewer than 100 people complained last year.

### Bringing it home

An 11-ton bulldozer piles recycling into a two-story hill, contaminates co-mingling with recyclables. Forklifts zoom across the 155,000-square foot warehouse. Recycling Industries handles much of the curbside recycling in Sacramento County. **Public records show the longest-operating recycler in the region has accrued \$346,000 in debt after being unable to sell some of its recycled products to China.**

According to reports, China stopped purchasing many U.S. recyclables in February. That hurt Recycling Industries, whose freight forwarding company hasn’t been able to sell much of what it once did. USA Waste Services of Sacramento saw the market trend. Before China’s decision, it decided to buy out of its contract with the county for \$250,000. Recycling Industries, a smaller company, didn’t.

The company and county may see a new agreement addressing repayment this month, which will go before the Board of Supervisors. For now, the recycling sits, waiting, on the Oakland docks.

Recycled Plastic Cups



Snowmen Wine Bottles



Plastic Bottle light Covers



The BCBRDA is a registered non-profit association, founded, owned and supported by independent bottle and recycling depot operators. The BCBRDA is governed by regulations under the BC Societies Act and a membership elected Board of Directors and is accountable to its members.

Support our efforts to improve the recycling industry, become a member today!