

NICKELS & DIMES

Alberta Bottle Depot Association

August 2003

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This year's AGM:

**Coast Edmonton
Plaza Hotel**
Downtown Edmonton

October 18, 19, 2003

Book now!

Registration
Information
in this mailout

As everyone knows there were two court challenges undertaken against the BCMB earlier this year stemming from a decision of the BCMB to implement handling commissions on beer containers. The first was launched by the ABDA which questioned the inability of the BCMB to apply the new rates given the clear majority of votes (10 to 1) at the meeting that was held to consider the question. The ABDA also wanted the question of whether or not the process of arbitration could be properly utilized as a method for resolving these disputes because it appeared to be improperly constituted. The second lawsuit was launched by the WBA (Western Brewers Association) on behalf of the brewers. They argued that the BCMB could not properly consider handling commissions because there was not enough information gathered, and the information that was gathered was improperly used. They further argued that the parties charged with making the decisions were improperly formed, and that the BCMB was fraught with conflicts

that essentially render it incapable of making a proper unbiased decision regarding this issue. Further they argued that the depot network is essentially a "utility" type network and that pricing should reflect the long history for pricing such a supplier of services.

So what is the good news?

Madam Justice Bielby found that the BCMB was properly constituted with its current membership and that, as an interest type board, it was perfectly capable of making decisions regarding handling commissions. She found that insinuated conflict as proposed by the WBA was in fact not a direct conflict at all. That the depot operators in conflict with the constituent group that they represent would not benefit directly and that there was enough external input to isolate members from direct conflict. Justice Bielby also laid down a framework for resolving these kind of disputes for the future. It is a framework that needs work including answering some essential questions. But shows a path out of the woods. This is good news in that it shows



that the system can work and has the proper authority and makeup to consider such business. Although the ABDA directly opposed arbitration as a method for answering questions such as handling commissions, it did so as a means of answering the question definitively. The one thing that we did not want to do was to have gone into an arbitration process, with all the expense that is entailed, with the strong likelihood of a judicial appeal by WBA on the other end to again defend against, costing even more time and money.

The bad news?

The bad news boils down to the unanswered questions. Although justice Bielby did

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Court Case (cont'd)

Calgary Board of Education Beverage Container Recycling School Pilot

ABCRC joint project—

Full Report in our next
newsletter.



*"Few things help an
individual more
than to place
responsibility upon
him and to let him
know that you trust
him." -Booker T.
Washington*



(Continued from page 1)

the best she could given what she had to deal with, she left more unanswered questions than answered ones and may have done more to harm the system than help it. More information will be needed by the BCMB in it's rate setting process. This is something that has already been worked on and many of you know, or have seen what is entailed with this. The UCA (Uniform Code of Accounts) will be refined and expanded upon to answer further questions. The BCMB is not sure how to apply wage costing information and will be doing more work in this area. Should the system pay for wage and expense rates that are only those that are incurred directly by the depot, or should a proxy be applied that represents a fair rate for expenses? The BCMB needs to answer the question of "profit" or "fair rate of return". Justice Bielby essentially compared the depot system to that of any other 'utility' type of service with return on investment being only return on capital employed (capital being hard assets). And that return on investment should be considered in the same manner that any other type of 'utility' is priced. The essential flaw in this thinking is that the depot network is a personal 'service' type of industry. The largest 'capital' type investment is in person-

nel and the value that is added to the system is in the activities of receiving, counting, sorting and shipping of material to maximize value as a scrap material for the manufacturers. This is being compared to a traditional 'utility' type of business that may have 200 million dollars invested in a power generator and utilize twenty to forty persons to run it. The two are inconsistent business models. To say that they should be compared and priced the same is naïve and clearly shows the lack of understanding and thought that the Justice put into her decision. Therefore the BCMB has the task of determining what the 'capital' investment in a depot is. This will be a further question of the UCA. What is the capital employed? Is it the purchase price of the business? Is it the value of the labour capital employed? What is it and how does it factor in to the equation?

The bottom line is: there are now more questions than before but a work plan is developing to push the questions forward. Nothing has been resolved with regard to the current handling commission except to say that the interim rate is still the interim rate.

I can clearly state that the Brewers did not get out of the legislation. That the BCMB is seen by the courts as having the authority to

consider questions of handling commissions. That there is a road map developing to answer the questions of how to solve these issues and that, at the end of the day, we still have businesses and we still have a system that must take into consideration the ongoing costs of your business and compensate you accordingly.

Where to from here?

The BCMB will take the balance of the year to straighten out its procedures and formula for calculating handling commissions and will likely go out to depots for more information early next year with actual rates being implemented hopefully spring or summer 2004.

We continue to ask that you support your ABDA and elected reps as they work on your behalf. Only through your continued support are these individuals able to represent you and the industry you depend on for your livelihood.

Have a good summer and I look forward to seeing you all at our AGM this year in Edmonton. We will devote time to this and other important issues as well as have lots of new information for you and some fun too!

Timothy Mastel-Marr,
President

NS depots get a raise – or a slap in the face

Retroactive to April 1, 2002, **Nova Scotia's RRFB has increased all beverage container handling fees.**

"Enviro-Depots are the mainstay of Nova Scotia's beverage container deposit and refund system -- and their owners and staff deserve to be paid fairly," said Firth. "The new handling fees reflect the increased cost of doing business

in Nova Scotia." The complete article can be read in Recycling Today or at their website <http://www.recyclingtoday.com/News/news.asp?Id=4127> (NOTE: the retroactive increase is based on an old rate of 2.9 not 2.5 as the article suggests) The Enviro-Depots have a bit different view of the increase, feeling short-

changed by the offer of 3.1 because the increase is inadequate and still leaves them behind the rest of the country. In their most recent newsletter the ERA (their new name is now Eastern Recyclers Association) suggests the true cost of operation is 4.2 cents per container.

AGM Highlights include:

- Business Management Specialist
- Advertising Specialist
- Can Counter Demo
- Activities for the whole family



"We must believe the things we teach our children." - Woodrow Wilson

Electronics News

The Federation of Canadian Municipalities has recently released a **Report on the Management of Discarded Electronics** which can be viewed in its entirety on RCA's web-

site at www.recycle.ab.ca/Newsflasharchive/FCMelectronics.pdf. The report sets out guiding principles as well as determines the options for collection and the relative cost of

each option. The report further suggests that a depot style collection system is more expensive than return to retail.

Wasps??

If you have wasps in your depot here's a solution.

Make brown paper #6 (lunch bag size) bags look like nests and hang in different areas of your depot. The wasps think it's another colonies area and stay clear.

Courtesy of Dave Green

Coca-Cola getting green

Coca-Cola is working to redesign their PET container to include 10% recycled content. Coke's commitment to their shareholders to incorporate 10% recycled content could also have a significant impact on the recycled

PET market if their competitors follow suit, possibly doubling the current volume demand. Sources say that is exactly what Pepsi is doing.

New Sort Update: The Blue PET sort reported

for Eastern Canada in our last ABDA Update is restricted to New Brunswick at this point.



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www.geocities.com/abdasdep

ABDA Smocks now on sale — \$ 9.

We received numerous calls from members about the smocks we had made last year. So we decided to take advantage of our buying power and had some made with our logo on the front. They are available to members for \$9.00 each plus GST and delivery. They have an adjustable neck strap, four pockets and are extra long and light weight. The smock is Royal Blue with our logo custom silk screened on the front. To place your order contact Sonia at our head office. They will also be available at the AGM.



*Don't miss the Can Counter Demonstration
at this year's AGM!*

Contacts

BCMB - Phone #1-888-424-7671,
780-424-3193, Fax 780-428-4620

Newalta - (for pickups of oil & drums) -
780-469-0392

C & D Plastics - (for pickups of plastics) -
780-481-4029

Recycle Hotline - 1-800-463-6326

Internet Websites

AUORC—<http://auorc.tripod.com>

BCMB – <http://www.bcmb.ab.ca>

RCA – <http://www.recycle.ab.ca>

Encorp Pacific – <http://www.encorpinc.com>

RCBC (Recycling Council of BC) - <http://www.rcbc.bc.ca>

CRI (Container Recycling Institute) -
<http://www.container-recycling.org/>

Used Oil – <http://www.usedoilrecycling.com/>

Recycling Canada – <http://www.redden.on.ca/~dbp>

Waste News –<http://www.wastenews.com>

Compost Council of Canada - www.compost.org

Solid Waste Magazine – <http://www.solidwastemag.com>

California Deposit Laws - <http://www.crra.com/botbill/BOTBILL.html>

Recycling Edmonton—<http://www.edmonton.searchlocally.com/Personal/GoodsRecycling.html>

Can Central—www.cancentral.com/issue3.htm

Free Software – <http://www.ded.com/nonags/>

Enviro Business Guide– www.recycle.ab.ca/directory.htm

Milk Recycling—www.recycling.com

Grass Roots Recycling Network—www.grrn.org/beverage/deposits

Check out these sites:

www.albertatravel.ca

www.ec.gc.ca/pp/

www.coasthotels.com

*Be sure to register early for the
AGM and get in
on the free draw
for a nights stay
at the hotel.*

