

**Canadian Beverage Container Recycling
Association (CBCRA) Manitoba Program
Plan**

May 5, 2011

EXECUTIVE SUMMARY

INTRODUCTION

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.

CBCRA PRINCIPLES

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.

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- **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.

AWAY-FROM-HOME PROGRAM

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.

PROGRAM REPORTING

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

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System will ultimately function as a single component in a larger administrative system that includes customer service tracking and a Material Tracking System (MTS).

PROGRAM COSTING & TIMELINE

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

PROGRAM GOVERNANCE

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.

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List of Acronyms

CBCRA	Canadian Beverage Container Recycling Association
CRF	Container Recycling Fee
EC	Environment Canada
EPR	Extended Producer Responsibility
FAQ	Frequently Asked Questions
GAAP	Generally Accepted Accounting Principles
GM	Green Manitoba
HDPE	High-Density Polyethylene
IC&I	Industrial, Commercial & Institutional
MC	Manitoba Conservation
MLCC	Manitoba Liquor Control Commission
MMSM	Multi-Material Stewardship Manitoba
MPSC	Manitoba Product Stewardship Corporation
MRF	Materials Recovery Facility
MTS	Material Tracking System
NGO	Non-Governmental Organization
P&E	Promotion & Education
PET	Polyethylene Terephthalate
POS	Point-of-Sale
PPP	Packaging and Printed Paper
PRO	Producer Responsibility Organization
PSA	Public Service Announcement
R&D	Research & Development
STAR	Student Action for Recycling program
WRAP	Waste Reduction and Prevention Act

Glossary

Available for Collection	Refers to the total quantity of material available to recover through a given collection segment.
Collection Channel	See "Collection Segment" below.
Collection Segment	Refers to a discrete set of sites that share characteristics & similar recycling profiles. Examples of different collection segments are parks, restaurants, convenience stores, and government buildings. May also be referred to as "Collection Channels".
Collection Site	Refers to a specified generation point that has registered with CBCRA and received designated recycling containers that are used to divert sealed beverage containers from the waste stream.
Contracted Program	Refers to CBCRA working with registered collection sites to directly retain services for the transportation and processing of sealed beverage container recycling program.
Diversion	See "Recovery" below.
Generation	Refers to the total quantity of material sold into market.
IC&I	Refers to sites that are operated by an industrial, commercial or institutional entity. Examples include office buildings, arenas, restaurants, hospitals and transit hubs.
Marketing	Refers to the shipping of processed sealed beverage containers to a downstream market at either a positive or negative value.
Material Consolidation	Refers to sealed beverage containers collection system that segregates recyclables from the waste stream.
Participant	A beverage company that has registered with CBCRA and agreed to pay the CRF rate on each beverage unit it sells.
Processing	Refers to material recycling facilities that can receive, sort and prepare sealed beverage containers for downstream markets.
Public Spaces	Refers to sites that are open to the public, and typically managed by or on behalf of the government. Examples include parks, sidewalks, and fairgrounds.
Recovery	Refers to the proper disposal and collection of waste material for recycling. May also be referred to as "Diversion".
Self-Operated Program	Refers to CBCRA providing support to existing diversion programs at registered collection sites to further encourage diversion of sealed beverage containers.
Service Provider	Refers to a company that CBCRA has engaged to provide recycling services. May include collection sites, haulers, recyclers, etc.

PART I – INTRODUCTION

1. Introduction

In December 2008 the Manitoba Government brought forward its Packaging and Printed Paper Regulation and Guidelines under the WRAP Act. Included in the Guideline accompanying the Regulation is a requirement applied only to the beverage sector – the stewards of beverage containers must achieve a 75% diversion target. Based on the Regulation and Guideline beverage stewards must either join a plan like the CBCRA Program Plan or provide their own plan including province-wide residential and away-from-home collection in order to achieve the 75% target. With approximately 30% of beverage containers purchased and disposed of outside the residential system the obligated beverage sector realized that reaching the target will require that recycling activities extend beyond the residential sector. Therefore, given that this proposed recovery rate could not be achieved using only the residential blue box system, and given that many beverage deposit systems in Canada and North America do not achieve such a diversion rate on their own, the beverage sector believes that a comprehensive beverage container recovery system including both at home and away from home collection channels is required if Manitoba is to achieve the objectives of diverting large quantities of recycling through a blue box program and achieving very high beverage container diversion rates.

Beginning in July 2009, beverage companies began to examine options and initiatives that could complement the regulated residential program and assist in driving beverage container recovery. Sectors involved in this effort include the entire non-alcoholic beverage category (soft drink, juice, water, and dairy).

The result of this initiative was the creation and incorporation of 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%. To that end, the program plan outlines activities that are intended to supplement the work currently being undertaken by Multi-Material Stewardship Manitoba (MMSM) to create a comprehensive beverage container collection system. In particular, CBCRA has decided to focus on a critical area of beverage container recovery: those beverages consumed outside of the home that are not discarded into the residential curbside and depot systems. An away-from-home program will therefore be a cornerstone of CBCRA's efforts together with improved at home collection to increase beverage container recovery to ensure that all beverage stewards can meet the diversion level targeted within the Packaging and Printed Paper Regulation and Guidelines.

This program plan is intended to: 1) catalogue the extent of CBCRA's knowledge about away-from-home recycling; 2) outline the scope of activities designed to increase recycling and compile data on the away-from-home sector; 3) provide a preliminary overview of program costing; and, 4) identify CBCRA's composition, guiding principles and governance structure.

2. Material Groups included in the Program

Beginning April 1, 2010, CBCRA started collecting a CRF (Container Recycling Fee) based on producer sales of sealed ready-to-serve beverage containers holding soft drink, water and juice beverages. While alcoholic beverage containers are not currently a part of the program, CBCRA is exploring with the Manitoba Liquor Control Commission (MLCC) the collection of alcoholic beverage containers in those collection streams, such as restaurants, where alcohol containers comprise a significant portion of the beverage containers available for collection. In these streams, economies of scale can be realized by effective collaboration between CBCRA and the liquor industry.

For the purposes of collection, reporting and transitioning to a differential Container Recycling Fee (CRF), CBCRA has classified all beverage containers into one of the following groups, based on material composition and size:

- PET under 1 L
- PET 1 L & over
- Aluminum under 1 L
- Aluminum 1 L & over
- Glass under 1 L
- Glass 1 L & over
- HDPE under 1 L
- HDPE 1 L & over
- Gable Top under 1 L
- Gable Top 1 L & over
- Polycoat under 1 L
- Polycoat 1 L & over

Note that as the Canadian beverage industry continues to bring innovative packaging to market, CBCRA reserves the right to expand or contract this list at its discretion.

3. CBCRA Goals & Objectives

This program is designed with one over-riding objective in mind: to ensure that beverage containers meet, at the minimum, the diversion target of 75% established under the Guidelines.

CBCRA recognizes that achieving this objective will require a cohesive and incremental strategy. The following are some of the elements of this strategy that CBCRA will deploy in its program operation:

- **Promotion & Education (P&E):** A major element of CBCRA's strategy will be the rollout of an extensive awareness campaign aimed at encouraging consumers to think of beverage container recycling comprehensively, not just in the context of the home. The intended effect of this campaign is to increase recycling behaviour outside the home and reinforce it inside the home. CBCRA's communications plan is outlined in Section 17.
- **Expanding Recycling Infrastructure:** The success of the awareness campaign will rely on an adequate provision of recycling infrastructure in away-from-home environments. CBCRA intends to ally with various public and private partners to ensure that recycling beverage containers outside of the home becomes a viable option wherever feasible. To this end, CBCRA plans to start up pilot programs in a variety of away-from-home environments in order to determine the feasibility

- and best practices for expanding away-from-home recycling infrastructure. CBCRA's away-from-home program is described in more detail in Section 15.
- **Business Intelligence:** To CBCRA's knowledge, no away-from-home program of this breadth has ever been attempted in any jurisdiction. As a consequence, knowledge about recycling behaviour away from home is incomplete. Therefore, a major component of the program will be devoted to compiling baseline information on recycling behaviour. It is important to note that much of this data will be compiled from pilot projects undertaken during the first 20 months of operations and that CBCRA will be implementing programs during that period in all of its target areas as outlined further below. Part V will present what is currently known about beverage container recycling in the province and will outline strategies to build CBCRA's dataset.

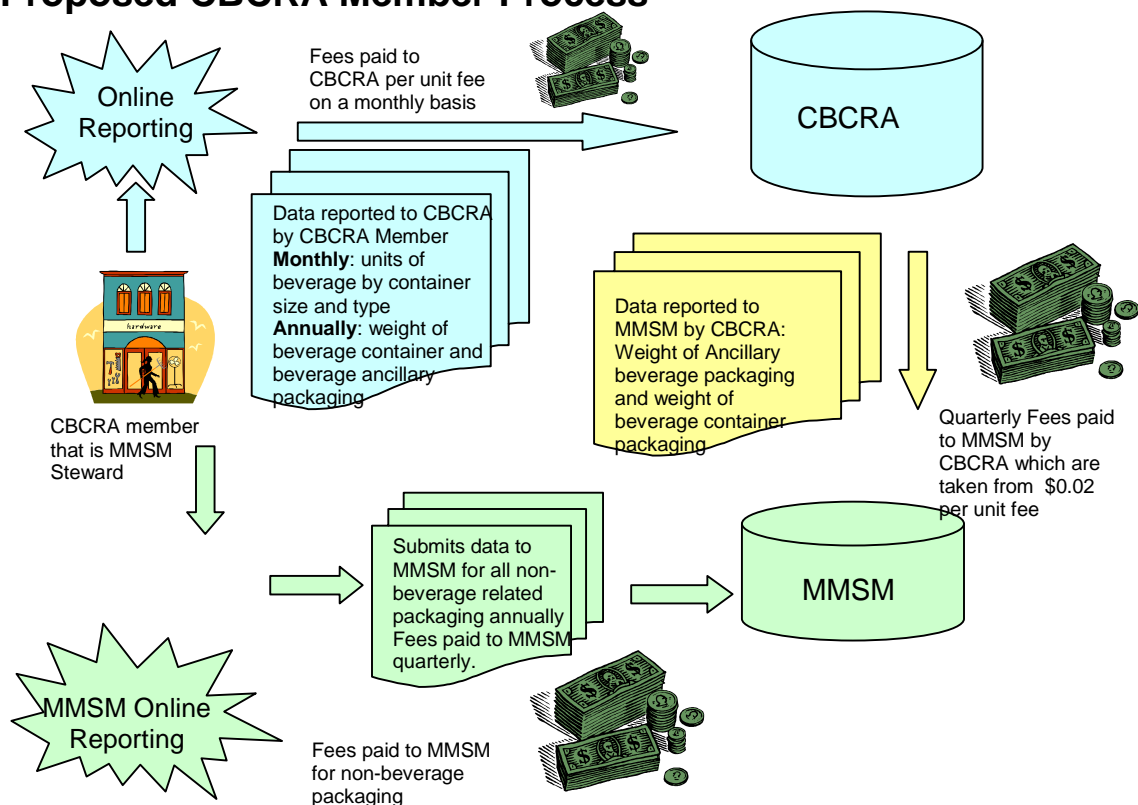
4. Relationship to Multi-Material Stewardship Manitoba (MMSM)

Multi-Material Stewardship Manitoba (MMSM) was formed to respond to the Packaging and Printed Paper Regulation by creating a program that focuses primarily on the blue box or residential sector. All CBCRA members and participants are also stewards of MMSM and are obligated to remit fees to MMSM on all primary, secondary and tertiary packaging included with any of their products. In order to assist MMSM and reduce the administrative burden for stewards, CBCRA will assist all beverage stewards to discharge their beverage container-related MMSM obligations, both financial and reporting, on behalf of its members and participants.

It is important to emphasize that, although CBCRA was formed to enable the beverage stewards to reach the ambitious target of 75% beverage container diversion, CBCRA exists as an independent organization separate from MMSM, the latter which also represents the interests of other packaging and printed paper stewards. Beverage companies and distributors will report their annual sales units to MMSM directly and then also report their monthly sales and contribute to CBCRA a \$0.02 CRF per container. Beginning in 2011 CBCRA will remit from the participating companies CRF contribution an amount equal to the participants' obligations for beverage related packaging under MMSM. This underlines the nature of the comprehensive beverage container recycling system including both at home and away-from-home collection channels. There will be no cross-subsidization between stewards.

The beverage steward payment process is outlined in the following schematic and description:

Proposed CBCRA Member Process



- A) CBCRA member reports to CBCRA:
 - a. Beverage Units sold each month in the Calendar Year – due by the end of the following month – (i.e. Report for January 2011 sales is due by Feb 28, 2011).
 - b. Annual weight of beverage related ancillary packaging based on the amount supplied in the previous calendar year. Report due by March 31 of each year.
 - c. Annual weight of beverage containers supplied in the 2010 calendar year. Report due by March 31 of each year.
- B) CBCRA member reports to MMSM the weight of non-beverage related packaging supplied in Manitoba in the previous Calendar year.
- C) CBCRA member pays: per unit fee to CBCRA for each beverage unit supplied in Manitoba.
- D) Each member reports through a single reporting window the weight of all beverage related ancillary packaging and number of units of different size and type of beverage containers supplied in Manitoba in the previous calendar year. Report is due by March 31 of each year.
- E) CBCRA pays MMSM (on behalf of each member) for obligations related to the cost of collecting beverage containers in the residential collection channel. CBCRA uses money from the CRF collected to pay MMSM on behalf of each member in good standing.

CBCRA will work in close coordination with MMSM in order to achieve the Manitoba Government's goal of 75% beverage container recovery. The beverage industry recognizes that the responsibility for meeting the target rests with the beverage industry.

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This Program Plan also recognizes that all beverage stewards are obligated to achieve the 75% recovery target. In order to ensure that the Regulation's diversion target is reached, CBCRA will complement the residential and curbside recovery efforts with an extensive away-from-home program, including the expansion of recycling infrastructure and a province-wide education campaign intended to both encourage recycling behaviour away from home and reinforce it at home. The key elements in the relationship between CBCRA and MMSM are included in the MOU found in Appendix A.

PART II – CBCRA PRINCIPLES

5. CBCRA’s Core Operating Principles

The Canadian Beverage Container Recycling Association (CBCRA) was formed to raise awareness of beverage container recycling in the general public and to promote the recycling of beverage containers in an effective and cost-efficient manner. In pursuit of this purpose, CBCRA is committed to the positions below as core guiding principles of its operation. These principles have informed the design and presentation of this program plan.

a. Industry Management

CBCRA takes as its founding principle the importance of producer responsibility in its fullest sense; this means that producers not only share the cost for managing their beverage containers, but that they also take an active interest in ensuring that those beverage containers are recovered in the most effective and efficient manner. In accordance with this commitment, CBCRA is managed by industry on behalf of industry. It is wholly funded by industry contributions that are intended to cover CBCRA participant financial and reporting obligations in all collection channels including MMSM and CBCRA’s own organizational costs, including administration, governance and program delivery. (See MOU included in Appendix A).

CBCRA is also committed to organizational transparency: in governance, in program delivery and in day-to-day operations. Transparency is integral to the success of any program and of the organization at large. Representatives from each major beverage sector are represented on the Board of Directors and participants are encouraged to provide their feedback on all elements of CBCRA operations.

b. Effective and Efficient Program Delivery

CBCRA aims to deliver an effective and cost-efficient program. To do so, it has established the following principles to guide it in identifying activities that contribute to realizing this objective.

i. Realistic Program Scope & Planning

The away-from-home sector is comprised of a number of disparate collection channels. Little is known about recycling behaviour in most of these channels as there are no other North American jurisdictions that have adopted such a broad approach to public space recycling. While there is a wide array of possible activities to engage in, CBCRA recognizes that it possesses limited knowledge and resources, leading it to adopt a conservative approach to planning the scope of the program in Year 1.

Given the limited existing public space recycling infrastructure and the lack of baseline performance data, it is very difficult to accurately project the effect and possible scope of the program in its first year. Therefore this program plan will refrain from making projections where the data are too limited, and will instead outline strategies to obtain that data. CBCRA will employ an incremental strategy, identifying new activities and refining the scope of existing activities as gaps in knowledge are filled.

CBCRA's strategy for building up its data, while dependent on the characteristics of each away-from-home sector, will rely on identifying and implementing pilot programs in various sectors in order to measure material composition, quantity and management cost. From this base, and with the data these projects will provide, CBCRA will begin rolling out a province-wide away-from-home recycling infrastructure.

ii. Cost/Benefit Analysis

In order to establish priorities, CBCRA will thoroughly evaluate possible activities and pilot projects to determine whether they will deliver sufficient beverage container diversion at a reasonable cost. CBCRA will request data from MMSM in order to determine a reasonable cost band for beverage container diversion activities in the residential sector. Where away-from-home recycling has been implemented it is recognized that it is usually more expensive than residential collection. CBCRA will evaluate possible beverage container recycling activities to determine which possible activities will give CBCRA the greatest diversion in return for its cost.

Among other criteria, evaluations of possible activities will include a consideration of the potential volume that is available for collection through that activity, the potential increase in collection that a successful implementation will drive, and the expected cost. See Section 17 for a preliminary example of this sort of analysis.

iii. Leveraging Existing Resources

Avoiding duplication of efforts and resources are important elements of delivering a cost-efficient program. Organizations such as MMSM are already coordinating province-wide recycling initiatives at the residential level, which this program does not need to duplicate.

However, CBCRA will explore opportunities with MMSM for embarking on joint projects to realize shared objectives, such as in P&E initiatives, thereby conserving the resources of both organizations.

Similarly, as further research provides insight into the recycling infrastructure of various away-from-home segments, it may be the case that established recycling programs already exist. In these cases, CBCRA will attempt to form partnerships with the recycling programs already in place before setting up its own recycling infrastructure. CBCRA will consider enhancing existing beverage container recycling programs where it expects to realize a significant benefit in terms of diversion, provided that enhancements are cost-effective, and do not endanger funding for other projects with greater recovery potential.

c. Equitable Cost Sharing

CBCRA is committed to ensuring that all members and participants incur a fair share of total program costs, reflecting the true cost for recycling a container based on its size and composition, and an equitable share of all common costs. This position is reflected in CBCRA's establishment of the following two principles for the purposes of fee-setting:

i. No Cross-Subsidization

No material group will be required to bear management cost for any other material group. The costs for each material group should reflect the true recycling management cost of that material and any common costs will be allocated in an equitable manner.

ii. A Level Playing Field

Products within each material group will receive equal treatment.

d. Container Recycling Fee (CRF)

CBCRA introduced a \$0.02 container recycling fee (CRF), provided by participating beverage companies and distributors.

i. Annual Fee Setting & Review

CBCRA will re-assess the CRF on an annual basis, in conjunction with planning activities for the upcoming year. The Board of Directors will have final approval over all CRFs paid by participants. Participants will be notified of any changes in the CRF at least 60 calendar days in advance of any change.

ii. Operating Deficits & Surpluses

CBCRA will ensure that it maintains a surplus cash flow sufficient to meet annual operating costs and in accordance with GAAP. CBCRA will, once activity-based costing by material stream is complete after Year 2, track operating deficits and surpluses by separate material stream and will report on both an annual and cumulative basis. The Board of Directors and CBCRA management will be responsible for ensuring that the organization avoids running a deficit. In order to recoup or return any deficit or surplus to a material stream, the financial balance of each material stream will be considered during the calculation of CRFs, subject to the discretion of the Board.

e. Expanding Consumer Accessibility

While a large proportion of consumers have access to residential recycling for beverage containers disposed at home, the same consumers often lack the opportunity to recycle outside their home. CBCRA therefore recognizes the importance of increasing consumers' options to conveniently recycle outside the home.

PART III – INDUSTRY PARTICIPATION IN CBCRA

6. Beverage Industry Sectors Targeted

CBCRA is currently in the process of recruiting participants from the following beverage sectors:

- Soft Drink
- Water
- Juice
- Dairy (excluding milk 1 litre and greater)

Currently, companies representing approximately 90% of total non-alcoholic beverage sales in Manitoba have registered as CBCRA participants. The most current list can be found on the CBCRA website at <http://www.cbcra-acrcb.org/Participants.php>.

CBCRA has published a registration package for any beverage company interested in becoming a participant in CBCRA. The registration package is available on the same website.

PART IV – APPROACH TO OTHER STAKEHOLDERS

7. Government

CBCRA is committed to forming a strong working partnership with government agencies such as Manitoba Conservation and Green Manitoba. CBCRA will ensure that the government is kept up-to-date on its activities through regularly scheduled meetings and the submission of annual reports and audited financial statements to the Manitoba Government.

8. Non-Governmental Organizations (NGOs)

Many not-for-profit organizations operate in the province of Manitoba. Several operate periodic recycling programs aimed at specific types of containers, such as aluminum. CBCRA will attempt to identify these NGOs and make contact with them to discuss the reporting of the volumes of material they collect.

9. Recyclers

Recyclers such as scrap dealers are an important source of information on the away-from-home beverage container recycling market: recycler/scrap dealer companies often end up dealing with material that is recovered from this sector. CBCRA will approach recyclers with a view toward soliciting information and forming working partnerships with them.

10. Waste Management Companies

Any away-from-home recycling programs currently in operation typically contract with waste management companies to collect recovered material. Like recyclers, therefore, these companies are important sources of information on the existing infrastructure and may have information that will allow CBCRA to establish baseline recovery performance figures.

11. Commercial Enterprises

Based on preliminary estimates, significant volumes of beverage containers are disposed of on the premises of various commercial enterprises, such as restaurants, shopping malls, convenience stores and office buildings. Some of these enterprises have already contacted CBCRA to express their interest in setting up beverage container recycling on their premises. CBCRA will reach out to others, including property management organizations, in the context of pilot projects identified for the first 20 months.

12. Public

Effective communication with the public is a cornerstone of CBCRA's efforts to attain 75% beverage container recovery. To ensure that consumers are aware of CBCRA and its efforts, a substantial budget allocation has been set aside to roll out a province-wide recycling awareness campaign. Additionally, CBCRA has set up a customer-service line to field questions and concerns from consumers, taken out a number of newspaper ads, radio spots, and POS material to explain the purpose of the organization and the nature of the visible fee.

PART V – APPROACH TO ESTABLISHING BASELINE DATA

13. Inventory of Current Infrastructure for Beverage Container Recycling

With the exception of the residential segment, there is little comprehensive information on recycling infrastructure in the province of Manitoba. CBCRA is currently in the process of compiling information about away-from-home collection channels.

a. Residential

Since 1995, Manitoba municipalities have been recycling printed paper and packaging under the aegis of the Manitoba Product Stewardship Corporation (MPSC). In March 2010, the last month of MPSC operation of the program, there were 182 communities running active recycling operations.

Most of these communities operate a curbside recycling program; however, other communities offer depot-based recycling as well as, or instead of, curbside pickup. Beverage containers are widely collected across all municipalities, although they are generally reported together with non-beverage containers according to material composition. Therefore, some assumptions must be applied using data from waste audits to determine the approximate amount of beverage containers recovered through the municipal channel.

CBCRA will work with MMSM to increase the effectiveness of residential beverage container collection. Residential collection is simply one of numerous beverage container collection channels.

b. Public Spaces

a) Events & Festivals

Manitoba is host to a large variety of events and festivals throughout the year. However, information on the presence or absence of recycling infrastructure at these events is limited. CBCRA is currently working on deepening its knowledge of recycling activities taking place at events and festivals by surveying organizers about their waste management practices. Prior to program commencement CBCRA contacted representatives of close to thirty of the largest events and festivals in Manitoba. The results of this survey are presented in the two tables below:

Table 13.1 Recycling Presence by Type of Event

Type of Event	Recycling	No Recycling	Unknown	Total
Sporting Event/Festival	0	0	4	4
Music/Arts Concert/Festival	1	2	2	5
Cultural Event/Festival	4	1	3	8
Community Fair	2	2	4	8
General Interest Event/Festival	2	0	1	3

Total	9	5	14	28
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Table 13.2 Recycling Presence by Nature of Event

Nature of Event	Recycling	Not Recycling	Unknown	Total
Outdoor	6	3	7	16
Indoor	2	0	4	6
Mixed	1	2	1	4
Unknown	0	0	2	2
Total	9	5	14	28

As CBCRA continues to communicate with event organizers it will complete the scan of event-based recycling in Manitoba. However, based on conversations with some event and festival coordinators, CBCRA has determined that most of the recycling infrastructure that is currently in place tends to be relatively basic, involving the provision of a few bins and the hiring of a contractor to collect them when full.

Exceptions to this are the Winnipeg Folk Festival, Manitoba Summer Fair, and Dauphin's Countryfest. Historically, both the Folk Festival and Summer Fair have hosted moderate recycling programs. At the Folk Festival, blue recycling receptacles were placed throughout the festival and campgrounds, and volunteers were engaged to collect recyclable material for diversion. In addition, large containers were rented from a waste management contractor in order to store material throughout the course of the event, and were picked up when full.

Dauphin's Countryfest hosts an extensive recycling program that includes a full on-site sorting and recycling facility, complete with trucks. In 2008, Dauphin's CountryFest invested more than \$80,000 in the start up of an on-site recycling compound. This included the development of a permanent location for the placement of a moveable structure, complete with conveyor belt to facilitate the sorting and recycling process. The on-site recycling and waste collection was done by two volunteer groups, who collected 320,000 beers cans, as well as 12,800 kg of glass, plastic, paper, boxboard, and cardboard. Their 2010 plan includes detailed monitoring and tracking of the individual streams.

b) Streetscapes & Parks

As with events, there is no central repository for information on public space recycling infrastructure. CBCRA is aware of only a few municipalities that host public space recycling bins; those municipalities that do provide public space recycling typically service the bins themselves.

The City of Winnipeg is atypical in this regard, as public space recycling infrastructure and collection is provided at no cost to the city by a company called Outdoor Media Group. Public recycling bins are located along Winnipeg's major streets and the costs of collection and diversion are covered by the revenue from advertisements located on the sides of the bins. According to Winnipeg's Public Works Department, these bins take in approximately 3MT of recyclable material per month; however, this figure includes cumulative recyclable packaging and printed paper that does not distinguish beverage

containers from other collected materials. As such, beverage containers represent only a fraction of that total.

In order to further understand the extent of existing streetscape and parks recycling infrastructure, CBCRA will work with MMSM to survey municipalities about the presence and structure of public space recycling efforts in their community.

c. Industrial, Commercial & Institutional (IC&I)

c) On-Premise Consumer Hubs (Restaurants, Shopping Malls, Gas bars, Convenience Stores, etc.)

Little is known about the beverage container recycling infrastructure in consumer hubs such as restaurants, shopping malls, gas bars and convenience stores. CBCRA's best information suggests that although many commercial and retail establishments recycle corrugated cardboard, few recycle their beverage containers.

A preliminary survey of urban Manitoba food and drink establishments turned up around 2,200 establishments, of which around 60% were independently owned and operated. Close to 1,100 of these are directly located in Winnipeg, and 122 are located in Brandon. Of these establishments, few had systematic beverage container recycling infrastructure in place. Most beverage container recycling that did occur typically involved a motivated staff member taking empty containers home for disposal in the residential Blue Box system.

In Winnipeg, small commercial and retail establishments that produce less than 3 cubic metres of waste per week are allowed to take advantage of the residential waste collection infrastructure. According to Winnipeg's Solid Waste department, such establishments account for approximately 42 tonnes of waste a month.

In order to deepen its understanding of recycling infrastructure in these consumer hubs, CBCRA has and will continue to approach industry associations, such as the Manitoba Restaurant and Foodservice Association (MRFA), as well as multi-establishment (chain) businesses and shopping malls.

d) Educational

In 1997, MPSC initiated the Student Action for Recycling (STAR) program to provide funding to primary and secondary schools in the province that chose to run an in-school recycling program. In 1999, MPSC introduced the STAR Plus program for post-secondary institutions.

In 2006, MPSC discontinued the program. In the last year of operation under MPSC, 725 primary and secondary schools and 5 post-secondary institutions, including the University of Winnipeg and the University of Manitoba, were registered with the STAR/STAR Plus program. According to MPSC, in its 7 year lifespan, the STAR Plus program recycled over 2000 tonnes of waste.

After MPSC discontinued the STAR/STAR Plus program, it was taken over by Green Manitoba and re-branded the Greening Schools Initiative. In 2008, Green Manitoba distributed approximately \$800,000 to schools across the province. This funding was to be used for general sustainability activities, not limited to only recycling. An amount of

\$900 per school was made available to each division or district that made a proposal to Green Manitoba to describe their plans for the funding. Divisions, districts or individual schools typically used this funding to support other capital projects such as the installation of low-flow toilets, to offset other contract expenses (e.g. those incurred by the recycling program), or to fund student projects such as planting gardens. Approximately 31% of the funds were used for waste reduction initiatives. This funding was a one-time amount.

Currently most of the 864 schools in Manitoba have some sort of recycling program. As a general rule, those schools that are located in a densely-populated area or that are close to urban centres tend to use a privately-contracted service provider. Schools in more rural settings tend to make use of municipal recycling programs, either by having their material picked up as part of a municipal collection route or by delivering the material themselves. Responsibility for the management of recycling activities varies, and can reside at the district or division level, or fall to individual schools regardless of the school size or population density. CBCRA has determined that currently most divisions, districts and/or schools lack data on the amount of material they are recycling.

e) Commercial Office Buildings

Office buildings potentially generate a large volume of beverage containers from employees who either bring their lunch into work, or purchase their lunch during the day for consumption back at their office. Many of the buildings housing federal or provincial agencies or departments do have recycling programs in place including beverage container recycling. Further work is required to determine the percentage of buildings, many of which are operated by property management companies, that do have beverage container recycling programs in place.

It is commonly believed that few beverage containers are recycled from these commercial office building sources. In order to determine the exact extent of beverage container recycling in office buildings, CBCRA will connect and cooperate with identified major property management groups to obtain an understanding of the current waste and recycling management procedures that are utilized, as well as an understanding of the role and identity of contracted waste management service providers.

f) Government & Crown Corporation Buildings

Similar to commercial office buildings, little is currently documented regarding recycling efforts in the constellation of government and crown corporation buildings. In order to obtain further information about this segment, CBCRA will approach government ministries and organizations directly to identify opportunities for cooperative effort. It may be possible to contract a portion of this service to Green Manitoba and preliminary discussions have taken place with Green Manitoba.

14. Beverage Container Generation & Recovery

The following section will outline CBCRA's proposed data collection activities. It should be noted that while data collection is imperative for CBCRA, as it will enable more sophisticated programming, CBCRA is in fact rolling out in Year 1 projects and activities that aim to increase away-from-home recycling opportunities for all Manitobans.

a. **Estimated Beverage Container Generation and Recovery**

i. **Generation of Beverage Containers**

Under the Packaging and Printed Paper Regulation 195/2008 of 2008, any business that supplies or sells beverages (implies a beverage container) into Manitoba is required to report the material type and size of beverage containers for which it is obligated.

ii. **Residential Recovery**

Beverage containers generated at home are diverted under the MMSM Program for recycling. MMSM collects and maintains substantial data related to the type, size and total volume of all recyclable materials, including beverage containers.

iii. **Away-from-Home Recovery**

The away-from-home segment addresses those beverage containers that are discarded by the consumer in a non-residential environment. For the purposes of assessing away-from-home beverage container recovery, location considerations include, but are not limited to, the following:

IC&I Segments

- Education (schools, colleges, universities, and similar)
- Provincial, Municipal government, Agencies, Boards, and Commissions buildings and facilities
- On-Premise (restaurants, shopping malls and similar)
- Commercial office and retail (e.g. convenience stores, gas bars, grocery and other retail)
- Other Institutional (e.g. hospitals, arenas)

Public Spaces Segments

- Streetscapes (roadside rest stops, walkways, urban foot-traffic areas, transit hubs, and similar)
- Outdoor municipal and provincial parks
- Controlled events and festivals (consumption of external goods prohibited)
- Open events and festivals (external goods permitted for consumption)

CBCRA will determine preliminary estimated beverage container recovery for the away-from-home segment via a mass balance calculation. This approach assumes that any beverage container that is sold but not collected from residential outlets, either in the recycling or in the waste stream, is instead disposed outside of the home.

In order to determine this figure, CBCRA will identify the following mass balance equation variables in order to determine preliminary estimates of beverage containers that are available to be collected under CBCRA-operated away-from-home recycling channels:

- **Generation:** Total beverage container supplied into the Manitoba market, by type and size
- **Less Residential Recovery:** Total beverage containers diverted into residential recycling stream

- **Less Municipal Waste Stream:** Beverage containers discarded into a municipal waste stream

a) Generation: Total beverage containers supplied into the Manitoba market

The MMSM Program currently tracks and monitors the generation of all beverage containers, by material type and size, into the Manitoba marketplace. Historic annual beverage container supply data will be consolidated and utilized to determine preliminary baseline generation estimates. Additionally, CBCRA will receive sales reports from the beverage industry to use as the total generation for 2010 and future years.

b) Residential Recovery: Total beverage containers diverted into residential recycling stream

Municipalities across Manitoba provide curbside recycling and/or depot recycling programs for resident use. The MMSM Program requires that every municipality report on material volumes that are recovered under curbside collection, depot, and other municipal services. As such, MMSM, through its forebear MPSC, has extensive annual data on beverage containers that are collected via Manitoba's municipal systems; these data have been utilized by CBCRA to determine preliminary baseline residential beverage container recovery estimates.

c) Municipal Residential Waste Stream: Beverage containers discarded into a municipal waste stream

Often recycling infrastructure is not available or accessible, or consumers erroneously deposit their beverage containers into garbage, and as such many beverage containers are unfortunately disposed into the residential waste stream. MMSM ensures that waste audits are conducted regularly to ascertain the various types and volumes of different waste materials that make their way into residential garbage containers and recycling bins across the province. CBCRA will utilize historic waste audit data to estimate the current volume of the beverage container types and sizes that are directed into the residential waste stream. In conjunction with residential recovery figures, CBCRA will then ascertain preliminary estimates of the total volume of beverage containers that is available for collection through the residential channel.

d) Preliminary Away from Home recovery estimates

Preliminary estimated quantities of beverage containers that are currently discarded into non-residential waste and recycling streams are calculated using the input variables described above. Away-from-home recovery estimates are strictly preliminary, and refer to quantities of beverage containers that are 1) potentially available to be collected for recycling by CBCRA; and 2) diverted by CBCRA or other organizations for recycling. These estimates will be verified against actual recovery data obtained via pilot programs and studies conducted throughout Year 1 and 2 of the Program.

b. Methodology for Calculating Beverage Container Generation and Recovery

Understanding anticipated recovery potential from the variety of away-from-home segments is essential: Segmented recovery estimates allow CBCRA to identify and target high-yield beverage container recovery opportunities, and also to anticipate some of the associated costs with providing unique programming options to maximize segment performance. A one-size-fits-all approach is not suitable for the broad scope of the

CBCRA Program, and a targeted approach to beverage container recovery by segment will ensure greater cost-efficiency and value generation for all stakeholders.

Due to limitations in existing information pertaining to current generation and recovery of beverage containers, data calculation for CBCRA will be conducted via a two-stage methodology: 1) Estimating quantity of beverage containers that are available for collection by location segment; and 2) Estimating recovery of beverage containers by location segment. Preliminary estimates of beverage containers that are available for collection under different away-from-home channels will be calculated as outlined in the following sections. In addition, pilot programs and additional research will be conducted to augment and verify preliminary estimates of recovery potential for CBCRA Program operations by collecting data from actual CBCRA operations. Both aspects of this methodology are outlined in greater detail for each type of generation location, below.

i. Methodological Cooperation with the MMSM Program

a) Beverage Container Generation Methodology

CBCRA will utilize the data reported by stewards to MMSM to assess the baseline volumes of various material types and sizes of beverage containers that are distributed annually to consumers in the Manitoba marketplace. Beverage container generation totals provide the denominator value in the recovery rate (%) calculation.

b) Residential Recovery Methodology

CBCRA will utilize existing MMSM data to assess the baseline volumes of various types and sizes of beverage containers that are recovered via residential programming. Residential beverage container recovery data will be updated annually based on reports consolidated by the MMSM Program for the previous calendar year.

The recovery of beverage containers from the residential channel is key to beverage stewards' achievement of the 75% target. CBCRA will work with MMSM to increase the recovery of beverage containers in the residential collection channel. Additionally, information sharing with the MMSM Program ensures greater opportunities for synergy and communication, and therefore enhanced performance potential and resource allocation for both Programs.

ii. Calculating Beverage Container Recovery Potential for IC&I Segments

a) Available for Collection in IC&I Segments

Consumption behaviour is the ultimate driver of where beverage containers are available for collection, and as such, consideration of consumption behaviour that is unique to each type of IC&I facility is necessary. Assessing the volumes of beverage containers available for collection is an important component of the Program, as it provides CBCRA with an appropriate metric for prioritizing Year 1 and 2 activities and budget allocation.

b) Education Segment (schools, colleges, universities, and similar)

The consumption of beverages, and the subsequent discard of beverage containers in educational facilities, is driven by the containers brought onto the premises by students and staff, in addition to those containers supplied to students and staff by the facility via kitchens, cafeterias and vending machines. The cumulative amount of beverage

containers supplied by the facility plus the beverage containers brought onto the premises represents the preliminary estimated beverage containers available for collection and recycling from educational facilities.

Cooperation with staff in charge of procurement activities for educational facilities will assist in determining the preliminary volume of beverage containers supplied by the educational facility. The differential amount between actual beverage container collection by the facility's waste management service provider, and the amount of beverage containers supplied by the educational facility represents the approximate quantity of additional beverage containers brought onto the premises by staff and students.

It is expected that preliminary estimates of beverage containers available for collection at educational facilities will be based on sample procurement data and estimates of per-capita on-site beverage consumption that will be prorated for the number of facilities and attendance levels across the province. CBCRA may also decide, should preliminary study warrant it, to conduct a school recycling pilot that will augment the data provided by school procurement officials and waste management companies.

c) Provincial and Municipal government buildings, agency, board and commissions buildings and facilities

Similar to educational facilities, consumption behaviour in provincial government buildings and facilities is largely driven by on-premise sales and supply of beverages plus those beverage containers brought onto the premises by staff and visitors. The cumulative amount of beverage containers supplied by the facility plus the beverage containers brought onto the premises represents the preliminary estimated beverage containers available for collection and recycling by CBCRA from provincial government buildings and facilities.

It is expected that preliminary estimates of beverage containers available for collection at government buildings and facilities will be based on sample procurement data and estimates of per-capita on-site beverage consumption that will be prorated for the number of facilities and attendance levels across the province. CBCRA will fund the roll-out of recycling infrastructure to government and public buildings and will seek to do this in conjunction with Green Manitoba. Data collected from this initiative may be used to augment collection availability estimates and justify further investment in this segment.

d) On-Premise Consumer Hubs Segment

On-premise facilities refer to locations at which immediate consumption and discard of beverage containers is likely to occur. This includes, but is not limited to, restaurants and shopping malls. Due to the immediate nature of consumption and discard, preliminary estimates of beverage containers available for collection at on-premise operations will be calculated directly from sales and supply data from the facility. In addition, CBCRA will utilize waste audit data from possible pilot projects at on-premise facilities as an indirect method of determining beverage containers available for collection from on-premise facilities.

Cooperation with select businesses to assess procurement and sales at on-premise locations will assist in determining the preliminary volume of beverage containers sold and/or supplied on-premise.

Consideration of facility capacity and average patron attendance will be incorporated (e.g. available for collection for small vs. medium vs. large on-premise facilities) to establish approximate per-facility beverage container quantities that will be prorated for the number of on-premise facilities across the province. Calculations of average patron attendance and sales will attempt to account for regional differences where possible.

e) Commercial Office and Retail Segment

Commercial office and retail facilities include privately-managed locations at which beverage containers available for collection consist of both those that are consumed immediately, as well as those brought onto the premises by staff and patrons. Examples of establishments in this segment include, but are not limited to, office buildings and retail stores, as well as convenience stores and gas bars. For instance, the beverage container purchased at a gas bar will likely not be discarded at the same site, but will instead be stored in a vehicle for later disposal at a different site. Conversely, gas bars may experience offsetting volume from patrons discarding empty containers that were stored in their vehicle.

Cooperation with staff in charge of procurement activities and private sales at commercial office and retail facilities will assist in determining the preliminary volume of beverage containers sold and/or supplied on-premise. The cumulative amount of beverage containers supplied for immediate consumption on-site, plus the beverage containers brought onto the premises represents the preliminary estimated beverage containers available for collection and recycling by CBCRA from commercial office and retail locations.

The differential amount between actual beverage container collection by the facility's waste management service provider, and the amount of beverage containers sold and/or supplied on-premise represents the approximate quantity of additional beverage containers brought onto the premises by office and retail staff and patrons. Where feasible, CBCRA will also incorporate waste audit data, such as any that might be obtained through conducting pilot projects during the first 20 months, into its assessments.

Consideration of facility capacity and average patron attendance will be incorporated to establish approximate per-capita beverage container consumption. This figure will be prorated for the number and patronage of office and retail locations across the province. Regional variations will be accounted for where possible.

f) Other Institutional Segments

Other institutional segments are the remaining IC&I facilities that will be included in CBCRA's programming efforts, such as hospitals, libraries, and recreational facilities. The methodology utilized for the other institutional facilities segment is essentially the same as for other IC&I segments at which the beverage containers available for collection consist of containers sold on-premise plus beverage containers brought onto the premises by staff and patrons.

Cooperation with staff in charge of procurement activities and private sale at other institutional facilities will assist in determining the preliminary volume of beverage containers sold and/or supplied on-premise. The cumulative amount of beverage containers supplied for immediate consumption on-site, plus the beverage containers

brought onto the premises represents the preliminary estimated beverage containers available for collection and recycling by CBCRA from other institutional locations.

The differential amount between actual beverage container collection by the facility's waste management service provider, and the amount of beverage containers sold and/or supplied on-premise represents the approximate quantity of additional beverage containers brought onto the premises by staff and patrons.

Consideration of facility capacity and average patronage will be incorporated to establish approximate per-capita beverage container quantities that will be prorated for the number and patronage of other institutional locations across the province.

g) Assessing Potential for Beverage Container Recovery in IC&I Segments

As the majority of IC&I facilities utilize contracted waste management service providers, CBCRA is reliant upon cooperation from those service providers to establish the average current beverage container recovery performance for each different type of IC&I segment.

Analysis of historic waste audits conducted by the service providers may provide a source of information; alternately, over the course of Year 1 and 2 CBCRA, in cooperation with MMSM, will conduct a series of waste audits and pilot projects across the different types of IC&I facilities to determine baseline recovery performance. The results of targeted IC&I audits in cooperation with existing service providers will ensure that CBCRA is able to identify obvious areas for infrastructure and programming improvements. It is anticipated that waste audits, and subsequent beverage container diversion programming will be unique for each different type of IC&I segment.

Once current beverage container recovery rates are established, CBCRA will be better able to determine specific recovery performance goals that are based on the degree of programming CBCRA will target to each IC&I segment.

iii. *Calculating Beverage Container Recovery for Public Space Segments*

a) Quantity Available for Collection in Public or Open Spaces

Public spaces elicit different consumption and discard behaviours than IC&I segments, primarily because the majority of beverage containers available for collection from public spaces consist of beverage containers purchased or supplied at a different location (e.g. there is almost no sale/supply of beverages for immediate consumption in public spaces), and because the vast majority of public spaces are serviced by municipal waste management operations. There are a few exceptions which will be discussed within the following sections as applicable.

Public spaces require a different methodological approach to assessing the quantity of beverage containers available for collection. Implicit in the definition of available for collection is the assumption that in public spaces where no recycling options are available there are only two discard choices for the consumer: to put the beverage container into a waste bin, or to discard it by littering. The objective of public space recovery is not to attract new beverage containers into public space recycling bins, but instead to encourage the appropriate diversion of beverage containers into a specific

bin, rather than into the waste stream or on the ground. As such, the assessment of beverage containers available for collection in public spaces requires examination of the presence of beverage containers in the two alternative channels: litter and waste. Assessing the volumes of beverage containers available for collection is an important component of the Program, as it provides CBCRA with an appropriate metric for prioritizing activities and allocating budget resources.

b) Streetscapes

This category of public space includes roadside rest stops, walkways, and foot-traffic areas. The quantity of beverage containers available for collection in various streetscapes will be driven largely by the volume of traffic and/or foot-traffic experienced by those areas and by the proximity of beverage suppliers, such as fast-food restaurants and convenience stores. For the purposes of estimating preliminary beverage containers available for collection, differentiating these areas on the basis of population density, local business profile and/or urban vs. rural designation will ensure that data and assumptions are appropriately tailored.

Where separate data for beverage containers collected from public spaces already exists, CBCRA will cooperate with MMSM to utilize that information. Alternately, CBCRA will augment the analysis of beverage containers available for collection in streetscapes by conducting a literature review on the composition of beverage containers collected from the waste stream in similar jurisdictions, as well as conducting sample waste audit and litter studies of rest stops and foot-traffic walkway areas in preparation for possible pilot recycling projects or infrastructure provision. Consideration of average traffic and disposal will be utilized to establish an average per capita disposal rate that will be prorated for the number of sites across the province that may reasonably justify the installation of recycling infrastructure.

c) Transit Hubs and Systems

Regional transit hubs and systems are typically operated by independent organizations that either provide their own waste management services, or contract with a waste management service provider. As mentioned previously, in these public spaces beverage containers available for collection are those that are misdirected into the waste stream.

To assess the quantities of beverage containers available for collection from transit hubs and systems, CBCRA will cooperate with existing service providers to utilize any existing information on the presence of beverage containers in the waste stream. In addition, sample waste audits will be conducted to ascertain current quantities of beverage containers that are discarded into the waste stream, and hence are available for collection and recycling by CBCRA.

Consideration of transit system capacity and average patronage will be incorporated to establish approximate per-capita beverage container quantities that will be prorated for the number and patronage of other transit hubs and systems across the province.

d) Outdoor Municipal and Provincial Parks

Assessing beverage containers available for collection at outdoor parks presents some challenges, as waste management services, providers and processes differ greatly across the province. Preliminary estimates will be generated based on historical waste

audit data and recovery data for available parks, and prorated for other parks based on average visitor numbers (provincial parks) and local population (municipal parks). This work will supplement the data collected from sample studies and pilot projects throughout the course of the first 20 months, which will be used to determine current quantities available for collection and diversion potential.

e) Controlled Events and Festivals

Controlled events and festivals refer to those that prohibit attendees from bringing in outside goods such as food and beverage. Consumption of beverages at these events is limited to the sale and/or supply provided by the event coordinators/operators, and is directly controlled by the procurement group for these events. These events and festivals are typically serviced by contracted waste management service providers; CBCRA will seek to work with these companies to obtain sample waste audit and recovery data.

Utilizing post-event waste audit data and attendance records, CBCRA will determine average per-capita beverage container quantities for controlled events that will be prorated for anticipated controlled events and festivals according to number and expected attendance to determine annual beverage containers available for collection from controlled events and festivals across the province.

f) Open Events and Festivals

Open events and festivals refer to those that allow attendees to bring in outside goods for consumption on-site. Empty beverage containers consumed and discarded at these events and festivals consist of those supplied and/or sold at the event, plus those brought onto the premises by attendees, which are consumed and discarded there. A methodology similar to some of the IC&I segments is appropriate (see above), in addition to actual data collected via pilot projects throughout Year 1 and 2 of the Program.

Cooperation with staff in charge of procurement activities for open events and festivals will assist in determining the preliminary volume of beverage containers sold and/or supplied at the open event or festival. The cumulative amount of beverage containers supplied for immediate consumption on-site, plus the beverage containers brought onto the premises represents the preliminary estimated quantity of beverage containers available for collection and recycling by CBCRA from open events and festivals.

The differential amount between actual beverage container collection by the contracted waste management service provider, and the amount of beverage containers sold and/or supplied on-premise represents the approximate quantity of additional beverage containers brought onto the premises by staff and patrons.

Consideration of event and festival capacity and average patronage will be incorporated to establish approximate per-capita beverage container quantities that will be prorated according to the number and patronage of other open events and festivals across the province.

iv. Assessing Implications of Seasonality

For the purposes of program planning it will be assumed that seasonality, if any, should be annualized for IC&I segment locations, as IC&I segment facilities are open and

potentially collecting disposed beverage containers year-round. Attendance in public spaces is expected to decline during winter months and peak during summer months, affecting the corresponding consumption of beverages and discard of beverage containers in public spaces. As such, review of historical data and literature utilized in the estimation of preliminary beverage containers available for collection, as well as all studies, audits and pilot projects related to public spaces will consider and account for seasonal fluctuations.

PART VI – AWAY-FROM-HOME PROGRAM

15. Year 1 and 2 Program Scope

For the purposes of this Program Plan, Year 1 and 2 is the period beginning April 1, 2010 and ending March 31, 2012. CBCRA commenced operations April 1, 2010 which made Year 1 only 9 months. For this reason, and because this was a startup period, this Plan refers to Year 1 and 2 or to the first 21 months.

a. Scope in Year 1 and 2 of the Program

i. Public Spaces

a) Events & Festivals

Description:

Public event recycling will aim to both increase collection and raise awareness of waste reduction and recycling issues. CBCRA will seek to work with event organizers and other potential partners. Beverage container recycling at the event will be well-publicized using CBCRA promotional material. Beverage containers may be collected as part of a larger event recycling effort that includes the collection of fibre and paper products. It is important to note that CBCRA will monitor and assess the performance impact, if any, of the various activities undertaken throughout Year 1 and 2.

Year 1 and 2 Workplan:

- Identify public events that provide significant collection opportunity, such as concerts and fairs. Establish a set of criteria to categorize events, enabling subsequent performance analysis.
- Approach event organizers in order to ensure that recycling opportunities are highlighted at the event.
- Select recycling infrastructure that will maximize return and utilize event recycling best practices when creating signage and locating bins.
- Explore and develop sponsorship opportunities, especially those relevant to the event, in order to offset cost of management.
- Explore using local volunteers to promote awareness at the event.
- Analyze the performance of the events to determine success of events in each category, thus enabling a more accurate projection of the success of future events based on their characteristics.

b) Streetscapes & Parks

Description:

The Public Spaces program will work with municipalities and other potential partners to establish beverage container recovery systems on key streetscapes, parks, and other public outdoor spaces. Consumers will be able to deposit plastic, glass and aluminum beverage containers into these receptacles which will be attractive bins with pictograms identifying the type of material that is accepted.

Year 1 and 2 Workplan:

- Assess the number and type of public spaces that are appropriate for a beverage container recycling program. Information from other away-from-home programs on Best Practices will be used to identify good candidates.
- Conduct a waste audit at selected sites to determine composition and recovery potential.
- Identify on behalf of the events or other away-from-home locales potential municipal and private service providers to service the beverage container recovery system(s) and tender for collection services.
- Determine the cost of servicing the bins and extrapolate these costs to the rest of Winnipeg and Manitoba.

ii. IC&I

c) Commercial & Retail Establishments (Restaurants, Gas Bars, etc)

Description:

The small IC&I program will work with businesses, municipalities 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). Consumers will be able to deposit plastic, glass and aluminum beverage containers into attractively labeled receptacles with pictograms identifying the type of material that is accepted.

Year 1 and 2 Workplan:

- Assess the current state of small IC&I beverage container recycling in Manitoba. The type of establishments surveyed will include at a minimum convenience stores, gas bars, fast food outlets, etc.
- Utilize Best Practice studies conducted in small commercial space recycling in other jurisdictions.
- Identify potential service providers to service the away-from-home collection sites.
- Investigate advertizing and sponsorship opportunities to help reduce the cost of implementing and maintaining the system.
- Run a pilot with a selection of small IC&I locations.

d) Government and Crown Corporation Buildings

Description:

The program for Government and Crown Corporation buildings will ensure that all government buildings with viable recycling profiles are provided the opportunity to have a beverage container recovery program. This may be part of a recycling program that includes a broader range of material including fibre, office paper, etc. CBCRA will not duplicate existing programs already in place in some Government buildings, but will consider program enhancements such as expanding the number of recycling bins where there is a significant benefit to be realized.

In order to qualify for funding support the program contractor will have performance targets for each major building as well as for the Government buildings program overall.

Year 1 and 2 Workplan:

- Assess the number and type of Government and Crown Corp buildings including the total number of staff.
- Identify the buildings that have adequate programs in place, those that have underperforming programs, and those without programs. Characterize buildings based on their estimated generation and recovery potential in order to identify the best candidates for immediate execution.
- Identify potential service providers to service the beverage container recovery system(s) with one option being to contract with Green Manitoba.
- Determine the incremental cost of recovering beverage containers within a more comprehensive office recycling program.

b. Year 1 and 2 Potential Pilot Projects and Studies

As stated in CBCRA's guiding principle of effective and cost-efficient program delivery, the fragmentary nature of away-from-home recycling efforts presents CBCRA with a wide array of options for pilot projects. In order to most efficiently utilize its resources in the first 21 months of the program, however, CBCRA will prioritize opportunities that will either have a significant effect on beverage container recovery or will provide valuable learning about certain away-from-home segments.

The following sections detail the pilot programs that CBCRA may consider for implementation in Year 1 and 2 of the program. It is important to note that pilot projects will be conducted for those program areas that have been prioritized by CBCRA for the purposes of overall value-creation for the whole CBCRA program. As such, CBCRA makes no commitment to implement every pilot project identified in this plan.

i. Events

Project: Identify an *open* event/festival to which attendees are allowed to bring their own goods and consumables on-site for consumption. CBCRA will partner with event/festival organizers to conduct an event-wide audit of all waste and recyclables generated at the event, which incorporates and contrasts the presence of beverage containers in the waste stream versus the recycling stream, and in addition provides baseline data on beverage containers available for collection, and recovered at the event. This pilot will utilize the event's existing bins, and augment these with additional recycling containers where required. Volunteers and/or students will be utilized to provide the staffing required for post-event sorting, weighing, and documentation. Attention will be paid to the quantities generated from beverages sold on-site (e.g. procurement and sales data) as well as quantities generated from beverage containers brought onto the event premises. It also serves as an opportunity to test various bin designs and signage, and to assist CBCRA in determining the incremental cost required to implement a beverage container recycling program at an open event.

Project: Identify a *controlled* event/festival at which the presence and/or consumption of external goods and consumables is prohibited. CBCRA will partner with event/festival organizers to conduct an event-wide audit of all waste and recyclables generated at the event, which incorporates and contrasts the presence of beverage containers in the waste stream versus the recycling stream, and in addition provides baseline data on beverage containers available for collection, and recovered at the event. This pilot will utilize the event's existing bins, and augment these to provide additional recycling containers where required. Volunteers and/or students will be utilized to provide the

staffing required for post-event sorting, weighing, and documentation. Attention will be paid to the results generated from the controlled event as compared to the open event, with the hopes of determining some per-capita consumption and discard rates, and determining whether these behaviours differ depending on the nature of the event. It also serves as an opportunity to test various bin designs and signage, and to assist CBCRA in determining the incremental cost required to implement a beverage container recycling program at a controlled event.

ii. Government Buildings

Project: CBCRA will identify and cooperate with a single government building or department that represents a suitable sample of all government buildings and facilities. The pilot would involve supplying the building/department with indoor bins and custodial training, and would run over a period of several weeks. The objective of this pilot is to assess the quantity of beverage containers available for collection within government buildings, utilizing the results of the pilot to prorate on a facility or per-capita basis across all government buildings. It also serves as an opportunity to test various bin designs and signage, and to assist CBCRA in determining the incremental cost required to implement a beverage container recycling program within a government building.

Due to the similarity between government buildings and commercial office buildings, it is very likely that the results from the government buildings pilot can also be applied to commercial office building baseline beverage recycling assessments.

iii. Restaurants

Project: A restaurant recycling pilot program conducted over a finite period of time. The pilot would involve supplying the restaurants with indoor and outdoor bins and arranging for weekly collection. The material would be stored and transported on a monthly basis to a MRF. CBCRA will negotiate with service providers to ensure a suitable degree of participation. Given the proportion of beverages consumed at many restaurants that are alcoholic beverages, CBCRA will explore the possibility of partnering with MLCC beginning with a pilot project.

iv. Other Small IC&I

Project: Similar to the restaurant pilot, several other small IC&I establishments, such as convenience stores and gas bars, will be identified to conduct a recycling pilot program for a finite period. The pilot would involve supplying the establishment with indoor and outdoor bins and facilitating weekly collection of waste. The material would be stored and transported on a monthly basis to a MRF. CBCRA would keep any revenue.

v. Universities and Other Institutions

Project: CBCRA will work with a single university to assess the current infrastructure and potential beverage container recycling performance for a variety of on-campus locations including student residences, cafeterias, common areas, faculty buildings, and outdoor spaces. The pilot project will utilize the institution's existing equipment (e.g. bins) wherever possible, and will augment with additional recycling bins where needed. The objective of this pilot project is to assess the beverage containers available for collection at various locations on campus, as well as to assess potential recovery performance using different bins and signage. It also serves to assist CBCRA in determining the incremental cost required to implement a beverage container recycling program at

universities, colleges and similar institutions. CBCRA will leverage existing university environmental groups and student volunteers wherever possible to assist in the implementation, and later sorting, measuring and documentation activities required for the pilot project.

vi. Public Parks

Project: A pilot program for a beverage container recovery system will be conducted in a prominent public park (e.g. Assiniboine Park). The objective of the project will be to assess the performance of different collection systems within the park, as well as to assess the quantities of beverage containers available for collection on a per-capita basis. Attendance and park user rates are integral to this project, and as such cooperation with the park to facilitate the collection of attendance and user data is important. CBCRA will utilize existing recycling bins where available, and will augment existing infrastructure with additional recycling bins as required.

16.Channel Priority Analysis

a. Introduction

This preliminary analysis has been prepared to aid CBCRA in directing its energy and resources toward appropriate program options in the initial 21 months of program operation. Accordingly, the analysis aims to maximize the net long-term effect of CBCRA's initial combined operations, recognizing that there are often trade-offs between visibility and collection volume that must be accounted for.

An overall summary of the methodology, conclusions, and the supporting reasoning for the rating assigned to each of the collection channels under consideration is provided below.

b. Methodology

A series of discrete collection channels were considered as programming options. These collection channels were:

Arenas
Commercial Office Buildings
Small Retail (Gas Bars, Convenience Stores)
Large Retail (Shopping Malls)
Educational Institutions
Public Events/Festivals
Government/Crown Corporation Buildings
Restaurants
Municipal Streetscapes/Parks

The collection channels were analyzed according to three variables or criteria:

- 1) **Public Visibility** – Includes consideration of factors such as: How many people pass through the site? What is the seasonality of the site? Are people susceptible

- to effective P&E in this channel? Is there scope for effective signage? Is there potential for media attention?
- 2) **Potential Volume of Returns** – Includes consideration of such factors as: How many people pass through this site? Do they consume considerable amounts of beverage in recyclable containers? Is there data on generation for similar sites in other places? How many potential sites are there?
 - 3) **Programming Cost** - Includes consideration of such factors as: How many bins are required? What types of bins are required? What operational costs will be borne by facilities vs. CBCRA?

Each collection channel was assigned a ranking for each of the variables on an ascending scale of 1-5. The scale was slightly different for each variable, and in the case of cost was reversed to reflect the fact that high cost is an obvious disadvantage to any programming option. The criterion for each of the ranks is shown below:

Table 16.1 Ranking Criteria

Criterion	Ranking				
	1	2	3	4	5
Visibility	Low	Weak	Moderate	Strong	High
Cost	High	Mod. - High	Moderate	Low	Minimal
Volume	Minimal	Low	Moderate	Mod. - High	High

Given that available data is currently minimal, the rankings combined subjective and objective evaluation (where available). Rationales for the rankings for each collection channel are provided below.

Once rankings were assigned for each of the criteria, a blended score was arrived at for purposes of easy comparison. The blended score employed a general weighting to account for:

- 1) the criterion’s expected initial contribution to the strategic aims of the program;
- 2) Our level of confidence in the available data and supporting reasoning for each of the criteria

The following weightings were assigned to each of the criteria:

Criterion	Weighting
Visibility	2
Volume	1
Cost	0.5

Visibility – This criterion was assigned a ranking of 2, giving it the highest weighting among the three, because it was judged that high visibility - creating a strong public recognition and brand awareness - was essential during the initial deployment of the program and would provide the greatest early benefit to the program’s long-term strategic goals. It was also felt that as the evaluation of this criterion was not as dependent on hard data, we had greater confidence in its accuracy.

Volume – This criterion was assigned a weighting of 1. Supporting data on extant volumes is almost non-existent. While driving greater collection volume is obviously a very important element of the program’s long-term success, it was felt that the

confidence in the accuracy of the rating was not sufficient to give it more than an even ranking. Additionally, the program does not want to replace existing infrastructure or programs where these may already exist.

Cost – This criterion was assigned a ranking of 0.5, primarily because of the uncertainty about the financing structure of programming options. Cost is an important consideration in programming, and the assigned ranking combined with the inverted scoring range means that cost is conservatively treated in the calculation of the blended score. For instance, a cost ranking of low (4) will be treated as a more conservative cost ranking of moderate – high (2) in the blended score.

c. Results of the Analysis

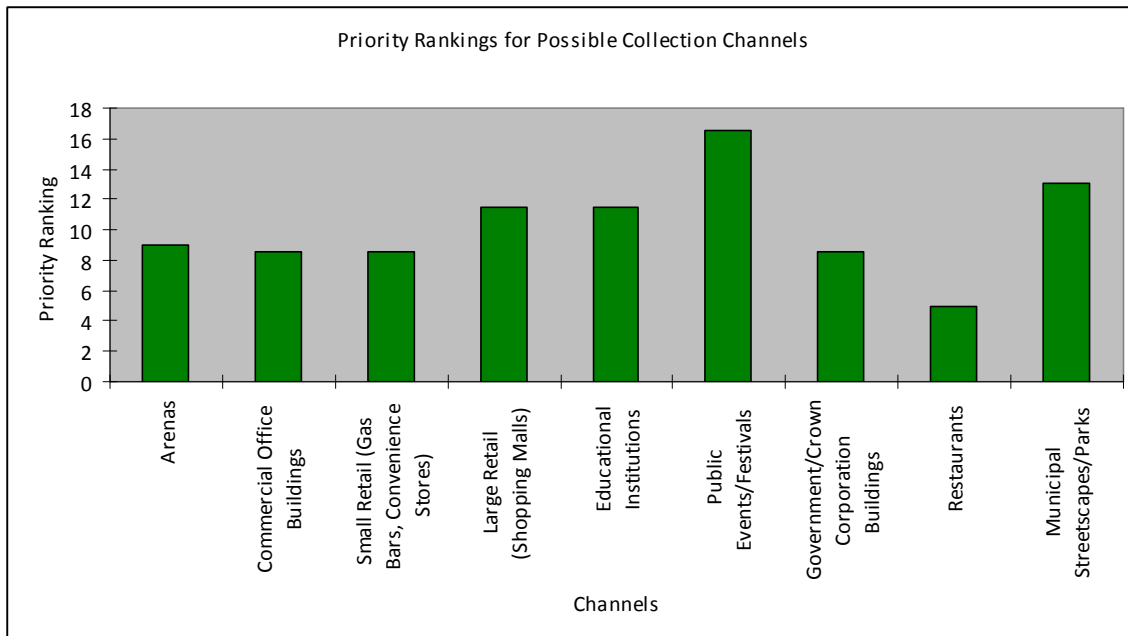
Based on the above methodology, the following Table 16.2 was compiled:

Table 16.2 Priority Score for Each Program Channel

Channels	Visibility	Volume	Cost	Blended Score
Arenas	3	2	2	9
Commercial Office Buildings	2	4	1	8.5
Small Retail (Gas Bars, Convenience Stores)	3	3	3	10.5
Large Retail (Shopping Malls)	3	4	3	11.5
Educational Institutions	4	3	1	11.5
Public Events/Festivals	5	5	3	16.5
Government/Crown Corporation Buildings	2	4	1	8.5
Restaurants	1	2	2	5
Municipal Streetscapes/Parks	4	4	2	13

The results are represented graphically in Figure 16.1 below:

Figure 16.1 Program Channel Priority Analysis



Based on the analysis, public events and festivals receive the highest rating by a significant margin, followed by parks and municipal streetscapes, with large retail centres and educational institutions in third place.

Programming options will therefore focus on these collection channels initially.

d. Justifications

i. Arenas

Arenas received a blended score of 9, which makes it the median collection channel.

- 1) **Visibility Potential** – Moderate (3) – Arenas are only fully operational during about two-thirds of the year, which means that the potential to increase public visibility through arena programming is limited during the summer months. However, when operational, there are considerable opportunities to carry out a promotion and education campaign including signage and public service announcements, as well as involving community leaders from youth sports teams.
- 2) **Volume Potential** – Low (2) – Arenas typically have a significant concessions business during hours of operation, which contributes significantly to beverage container waste through sales to arena patrons. Based on waste audits in Sarnia, Ontario, arenas likely experience generation of recyclable beverage containers at a rate between 20 kg – 30 kg per week (generation averaged 23.58 kg/week in Sarnia) during peak periods. According to the Winnipeg City website, there are 27 arenas in the Winnipeg area. Assuming generation at 10% of peak during the summer months, annual collection potential in Winnipeg would be in the neighbourhood of 20 tonnes annually. These amounts will be quantified during initial sampling at arenas in Fall 2010.
- 3) **Cost** – Moderate to High (2) – Given the size of arenas and the propensity of patrons to litter, it is likely that bins will need to be placed at several points.

ii. Commercial Office Buildings

Commercial Office Buildings received a blended ranking of 8.5, which ranks them tied for 6th out of the 9 collection channels.

- 1) **Visibility Potential** – Weak (3) – Recycling bins in offices are seen primarily by the staff that work in these buildings and the overall visibility is therefore limited. Installing an office recycling system may promote greater diligence in recycling in other places over the long run, but this remains to be justified.
- 2) **Volume Potential** – Moderate to high (4) – Given the number of office buildings and attendant office-workers, likely around 200,000 people in Winnipeg alone, there is probably a substantial amount of recyclable beverage containers disposed of through this channel.

- 3) **Cost** – High (1) – Providing sufficient bins to each office in order to drive substantial volume will require a considerable outlay of funds.

iii. Small Retail

Small Retail establishments received a blended ranking of 10.5, which ranks them tied for 4th out of the 9 collection channels.

- 1) **Visibility Potential** – Moderate (3) – Many patrons of these establishments will probably not avail themselves of the recycling services, however, these establishments do provide potential to erect signage over the bins.
- 2) **Volume Potential** – Moderate (3) – Difficult to assess. Results from a pilot public space recycling program in Sarnia suggest that weekly generation at each site is low, less than 5 kgs/site/week. Given the sheer number of sites, however, this is likely to generate a reasonable amount of potential returns.
- 3) **Cost** – Moderate (3) – These sites will require only basic bins, which will reduce cost. Lower returns will also require less frequent service, thereby reducing costs further, however, the number of sites that bins would need to be deployed to will likely balance out these savings.

iv. Large Retail

Large Retail establishments received a blended ranking of 11.5, which ranks them tied for 3rd out of the 9 collection channels.

- 1) **Visibility Potential** – Moderate (3) – Food courts in malls are concentrated, allowing for signage to be deployed effectively in a central location. The program can work with local vendors to pass out promotional material.
- 2) **Volume Potential** – Moderate to high (4) – Food courts generate significant sales of soft drinks and bottled water, most of which are consumed on-site at food court seating. According to one website, shoppingfinder.ca, Manitoba has over 40 shopping centres and malls, with the majority of these having food courts. Although there is currently no data on expected weekly generation per site, it is expected that generation will be reasonably high.
- 3) **Cost** – Moderate (3) – While fairly stable bins with significant capacity are likely to be required, the number of malls with substantial food courts warranting collection bins is probably not numerous.

v. Post-Secondary Educational Institutions

Educational Institutions received a blended ranking of 11.5, which ranks them tied for 3rd out of the 9 collection channels.

- 1) **Visibility Potential** – Strong (4) – There is substantial scope for an enhanced P&E campaign. The work would build on the foundation of school recycling that MPSC initiated with its STAR Plus program.

- 2) **Volume Potential** – Moderate (3) – Based on the recovery rates demonstrated by some post-secondary institutions there is much room for increased beverage container recovery.
- 3) **Cost** – High (1) – Schools are unlikely to be willing to take on much of the cost, given already strained school budgets, and effective programming will require numerous additional bins and significant amounts of promotional material.

vi. Public Events & Festivals

Public Events & Festivals received a blended ranking of 16.5, which ranks them 1st out of the 9 collection channels.

- 1) **Visibility Potential** – High (5) – There is significant scope for effective P&E: CBCRA animators can provide on-site promotion of beverage container recycling bins as well as information about recycling, public service announcements from organizers, and signage around the event grounds. Events and festivals also draw media attention that may be harnessed through earned or paid media to enhance the CBCRA brand.
- 2) **Volume Potential** – High (5) – Events and festivals draw large numbers of people consuming large amounts of food and drink. Whether attendees bring their own drinks, or purchase them at the event, a large proportion of these beverages are housed in sealed containers.
- 3) **Cost** – Moderate (3) – Because these events are temporary, the program need only deploy basic bins that may be reused at other events. Events and festivals also tend to draw lots of volunteers, who can be engaged to offset management and operation costs.

vii. Government & Crown Corporation Buildings

Government & Crown Corporation Buildings received a blended ranking of 8.5, which ranks them tied for 6th out of the 9 collection channels.

- 1) **Visibility Potential** – Weak (2) – Similarly to office buildings, P&E efforts might struggle to find traction in this setting. While there is the aforementioned possible benefit of reinforced recycling behaviour, it is difficult to assess whether this benefit will be realized.
- 2) **Volume Potential** – Moderate to high (4) – The government employs a fairly large number of people in Manitoba, higher than the Canadian average per capita according to StatsCan, and it is assumed that many of those workers consume recyclable beverage containers at the office. Therefore return potential is significant if the majority of government buildings are equipped with recycling infrastructure.
- 3) **Cost** – High (1) – Rolling out a program in government buildings will require a large number of bins. The extent of the current beverage container recycling systems in government and public buildings is not known. Enhancing existing “bare-bones” recycling programs is an option that CBCRA will consider.

viii. Restaurants

Restaurants received a blended ranking of 5, which ranks them 9th out of the 9 collection channels.

- 1) **Visibility Potential** – Low (1) – Most full-service restaurant patrons do not think about recycling when they go out to eat, and the waste is disposed in the back of the store. Recycling infrastructure will be more visible to fast-food patrons who directly interact with their waste, but in these establishments the recycling infrastructure is more likely to be identified with the restaurant, not with the program, at least not until the program has achieved deeper public awareness.
- 2) **Volume Potential** – Low (2) – Volume potential is likely to be low in both full-service and fast-food establishments. In full-service establishments, many of the beverages consumed are alcoholic (currently not part of the CBCRA program). In fast-food establishments, the majority of beverages are dispensed in fountain cups.
- 3) **Cost** – Moderate to High (2) – A large number of bins will be required to provide adequate access to a sufficient number of establishments to achieve the significant tonnage. It is uncertain whether CBCRA will be able to avoid paying operational costs.

ix. Municipal Parks & Streetscapes

Municipal Parks & Streetscapes received a blended ranking of 13, which ranks them 2nd out of the 9 collection channels.

- 1) **Visibility Potential** – Strong (4) – Rolling out bins to urban streetscapes and parks will provide significant public visibility, particularly in summer when many people are out and about the city. This publicity can be magnified through attracting media attention. Parks provide an opportunity to deploy effective signage, and the program can seek to educate patrons through partnerships with local community groups and sports teams who utilize the parks regularly.
- 2) **Volume Potential** – Moderate to high (4) – A large number of beverages, particularly from local vendors and small retail establishments are consumed and disposed in public. Depending on the pedestrian traffic at the sites chosen, there is likely to be substantial potential for high-volume collection.
- 3) **Cost** – Moderate to High (2) – May be able to share cost with the municipality, but careful preparation is needed in order to identify appropriate sites for programming. The bins required will likely need to be of higher quality, thus more expensive, since they are subject to the elements and are often unsupervised and susceptible to vandalism.

17. Communications

a. Beverage Container Recycling P&E and Awareness Campaign

i. Project Goals

The ultimate objective of the campaign is to increase awareness of away-from-home recycling options and, in conjunction with MMSM, drive increased beverage container collection in order to attain a recovery target of 75% of total beverage containers sold into the province.

ii. Target Audiences

The primary target audience includes all consumers of beverage containers, who are responsible for the initial disposition of empty containers.

The secondary audience includes retail business owners, municipalities, and event managers, and other stakeholders in the recycling industry.

iii. Audience Demographic Overview

Based on the 2006 Census, the mean average age of Manitobans is 38. Approximately 44% have a post-secondary education. Consideration of demographic information is an important element in developing the messaging and identifying the vehicles chosen to deliver the message. Those consumers who are close to the mean age grew up in 1970s and 1980s, in tandem with the early recycling movement before recycling was a typical household practice. While they may be more or less familiar with the principles of recycling, there is considerable scope to reinforce recycling behaviour among this age cohort, particularly with regard to the importance of recycling in away-from-home environments.

iv. Plan Parameters

Geography: Manitoba, province-wide
Time-frame: May 2010 to December 2010
Language (s): English, other language adaptations as appropriate

v. Communication Activities Background

CBCRA was formed and rolled out its program quickly to coincide with the launch of the new Blue Box program under the supervision of MMSM. As such, CBCRA took a number of immediate activities to establish its presence in the recycling industry. The following are brief descriptions of some of those activities:

- CBCRA officially launched with the issuing of a Press Release and Backgrounder on March 25, 2010.
- A corporate website was launched in March with basic FAQs, a list of registered participants, and press materials. The registered domain name is: www.cbcracrcb.org
- Advertising space in print media was purchased in order to publish a Letter to Consumers that clarified the purpose of the CBCRA and the container recycling fee of 2 cents. Three ads ran in the Winnipeg Free Press over a two week period from April 10 – 17, 2010. This was in response to negative news coverage about the program.

- Radio advertising was purchased to run PSA-style announcements to reinforce the Letter to Citizens.
- POS piece for retailers was produced and delivered to outlets during the week of April 14, 2010.
- The Executive Director conducted numerous interviews with television, radio, and print media since the launch on March 25, 2010.

All pieces have been designed to explain the 2-cent CRF and to publicize the existence of CBCRA as a new industry-led not-for-profit recycling initiative. Overall CBCRA invested close to \$600,000 from April to December 2010 in support of away-from-home recycling.

vi. Communication Goals

Communication strategies will focus on building awareness of the options for, and the importance of, recycling in away-from-home environments and will attempt to enshrine this attitude as an automatic response when a consumer is finished with a beverage.

Communication activities must serve at least one or both of the following communication objectives:

1. Affect consumer behaviour so that recycling is the natural choice for disposing of beverage containers, whether at home or away from home.
2. Develop business to build network of partners, including, but not limited to retail management, special events organizers, property management groups, and educational institutions.

vii. P&E Campaign

Promotion and education efforts are in their early stages. The time-frame of a summer events roll-out will require CBCRA's communications team to build a base of knowledge and develop anticipation among the average consumer.

To assist in this goal, a creative agency was engaged to develop a brand and organizational identity. In developing the brand, the creative agency will work toward many of the same goals as the communications plan outlined thus far. It is important that communications be extremely clear, cohesive and flawless in execution in order to ensure the continuing development of the program will generate nothing but positive responses by the media and stakeholders.

The summer months provide the best opportunity to reach the consumer about the importance of recycling away from home as they are more likely to spend their time utilizing green spaces. In order to affect social behaviour, the communications should be aligned with consumers' frame of mind. Communications' efforts will therefore emphasize outdoor recycling during the summer months. As the calendar year progresses the themes will move to indoor recycling away from home – such as at work, in malls, and at school events.

The core messages will include:

- **Convenience:** Recycling away from home must be convenient for consumers and for partners.
- **Affecting change:** By placing a beverage container in a bin away from home, they are changing what goes to landfills. They are reducing the harm to the environment.

- **Reaching goals:** Quantifying a change gives consumers something to strive for, to feel they are making a difference by helping to achieve a goal.
- **Rewards:** Telling the story of what happens when the beverage container is recycled is rewarding for consumers.

viii. Communications Tactics

- **Research** can provide insight into what the consumer is thinking and why they do what they do. An integral component of the communications plan involves research into what consumers think about the bins, the program and the messaging. This will ensure that all the steps taken to implement the plan are effective and in line with what the consumer wants.
- **Paid advertising** on a frequent basis to reach the majority of Manitobans. Current consumer knowledge of the program is very limited, and therefore requires a period of time to develop in the minds of consumers. Recycling at home is a mainstream behaviour now thanks to the residential blue box, but the availability of recycling options away from home is new and thus unfamiliar.
- **Event partnerships** at public festivals, concerts, and sporting events will place the recycling bin front and centre while consumers are participating at the event. The first year of the program saw many events with the tag line: *Brought to you by RecycleEverywhere. Remember to place your containers in the beverage bin while you're here at the festival/event/rodeo.*
- **School programs** are integral to any and all recycling initiatives. A school program to promote collection and encourage schools to challenge others for collection targets will carry through to the family unit and have lasting impact.
- **Business development** of CBCRA will require sales materials to be developed for a business audience. This is about the logistics and costs that a company, retailer or government department will have to consider in implementing the program at their facilities or locations.
- **Media relations** involve not only providing reporters with content but also educating the reporter on the organization's function and operation, and all the details of the program. The media is just as new to this as the consumer and also requires educational materials. A guidebook to the program for media will be developed electronically for easy updates and quick distribution.
- The Executive Director will be the official spokesperson on behalf of the organization.

ix. Communications Tools

For program roll-out and stakeholder communications, support is required from communication activities. For example, property/site managers will need information about recommended logistics in order to effectively place bins and P&E tools at locations and sponsored events. The following are recommended items for transition and then launch.

- a. **Information Package for Property/Site Managers.**
 - i. This piece will present information about how the program works and will outline requirements for participation in the program. Inserts will explain the procedure for hosting bins on a property. This will include such things as selection of bin style, how to package collected materials for pick-up, how to schedule a pick-up, how to

order more bins, and how to use the P&E materials supplied. The content will be produced by CBCRA. The materials will be placed in a template that will be designed by the agency.

ii. **Program Website**

- a. The website will have two audience sections – one for consumers and one for potential partners with the program. The consumer section will highlight what the bins look like, what can go in the bins and what happens to the materials after disposal. The partner section will be a digital version of the Information Package. CBCRA will be directly responsible for the website design and content.

iii. **Radio Advertising**

- a. To supplement the direct mail piece, radio advertising will follow across the province the last two weeks in June. This will remind consumers of the message in the direct mail piece and then tie into the launch to follow in two-to-three weeks. Media buy, scripts and production will be done by the agency.

iv. **Summer Festival Program**

- a. Recycling bins will be placed at as many events as possible across Manitoba. Some events will be sponsored by companies or other groups and some will be property management initiatives. Rather than have a single day launch, the months of July and August will be the launch period. This will mean that whenever a 'bin-sponsored' event takes place, there will be a 'street-team' to promote the use of bins located on the property and there will be external advertising partnered with the event advertising. The creative idea will be based on the brand identity and will depend on the venue; the production will suit those requirements. For example, some locations may offer digital signage; others may have large print formats, while others may only support very basic displays with A-frame signs. The CBCRA will research and negotiate event sponsorship and develop the street team. The agency will design and produce creative and ad materials.

v. **Back to School** (Post-secondary)

- a. For the September rush back to school, a post-secondary school program will begin. The street-team concept will be used to deliver peer-to-peer marketing. Advertising will be placed in both campus papers and on-campus signage. The CBCRA will manage the sponsorship negotiations and the street-team. The agency will provide design and production services.

18. Bin Type Inventory

There are a variety of bin options that CBCRA will consider deploying for its pilot programs. Criteria that CBCRA will consider when selecting bins include, but are not limited to, whether the bin is appropriate for the environment, whether the bin can host the desired signage, whether the cost is acceptable, and whether cost can possibly be offset by advertising.

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Table 18.1 below presents several of the different options by price and possible location.

Table 18.1 Possible Recycling Bin Options

Usage	Vendor / Model Price	Photo
Public Space and IC&I Streetscapes and Commercial Retail	Eco-Media Direct Silver Box \$700/unit (refurbished)	
Public Space and IC&I Parks / Streetscapes / Commercial Retail	Chevy Lane Erin 2-stream \$1,300/unit	
Public Space Parks / Streetscapes / Public Events	Chevy Lane Round Metal Strap \$500/unit	
Public Space and IC&I Commercial Retail Exteriors / Institutional	Classic Displays The Phoenix (Glasdon) \$700/unit	
Public Space Parks / Festivals and Events	Chevy Lane Parks Package \$315/each	

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Usage	Vendor / Model Price	Photo
Public Space Parks / Festivals and Events	Chevy Lane Special Events Bins \$110/each	
IC&I Interior Educational / Arenas / Libraries	Techstar Single Stream \$165 / each	
IC&I Interior Malls / Large Public Spaces	Busch Systems Two-in-One Super Sorter \$800/unit	
IC&I Interior Applications	Busch Systems \$85/each	
IC&I Interior Applications	Rubbermaid Slim Jim \$85/each	

Usage	Vendor / Model Price	Photo
Public Space and IC&I Commercial Retail Exteriors / Institutional	Envyrozone Hazelton 2-stream \$1,425/unit	

19.Waste Audit Program

CBCRA will routinely assess the performance of the beverage container recycling system by conducting audits throughout the year and taking into account seasonal variations. The comprehensive waste audit program will provide greater detail and knowledge on:

- Collection site generation rates by sealed beverage container type and collection site category (restaurant, convenience store, event, public space, etc.)
- Contamination rates by site category
- Transportation impacts caused by compaction
- Recycling processor recovery rates and product assurance

CBCRA will conduct an audit at a site prior to the implementation of a pilot program in order to establish baseline statistics. After a pre-determined amount of time, a follow-up waste audit will be conducted to determine performance and room for improvement.

PART VII – PROGRAM MANAGEMENT

20. Contracted vs. Self-Operated Programs

CBCRA recognizes the need to expand the infrastructure for the recovery and diversion of beverage containers. There are several ways in which this may be done including the following two distinct methods:

1. Contracting out transport and processing services for registered collection sites through an RFP process.
2. Supporting self-operated programs managed by registered collection sites that have existing diversion programs.

In order to establish a successful diversion program, the consumer must have a convenient and easy system to place their beverage container into. The program will focus on festivals and events in other parts of the province. During year one and by the end of year two, CBCRA will begin to expand these programs to the remainder of Manitoba's rural and urban centres.

i. Contracted Programs

Wherever possible CBCRA will provide the bin infrastructure and P&E material. There may be circumstances where the contracted service model is needed. In those cases CBCRA will define geographic operating regions and registered collection sites will be provided the appropriate recycling bins. On a regular basis, the recycling containers will be serviced by contracted haulers and delivered to recycling facilities approved by CBCRA. The movement of the recovered sealed beverage containers will be tracked and monitored through a Material Tracking System (MTS).

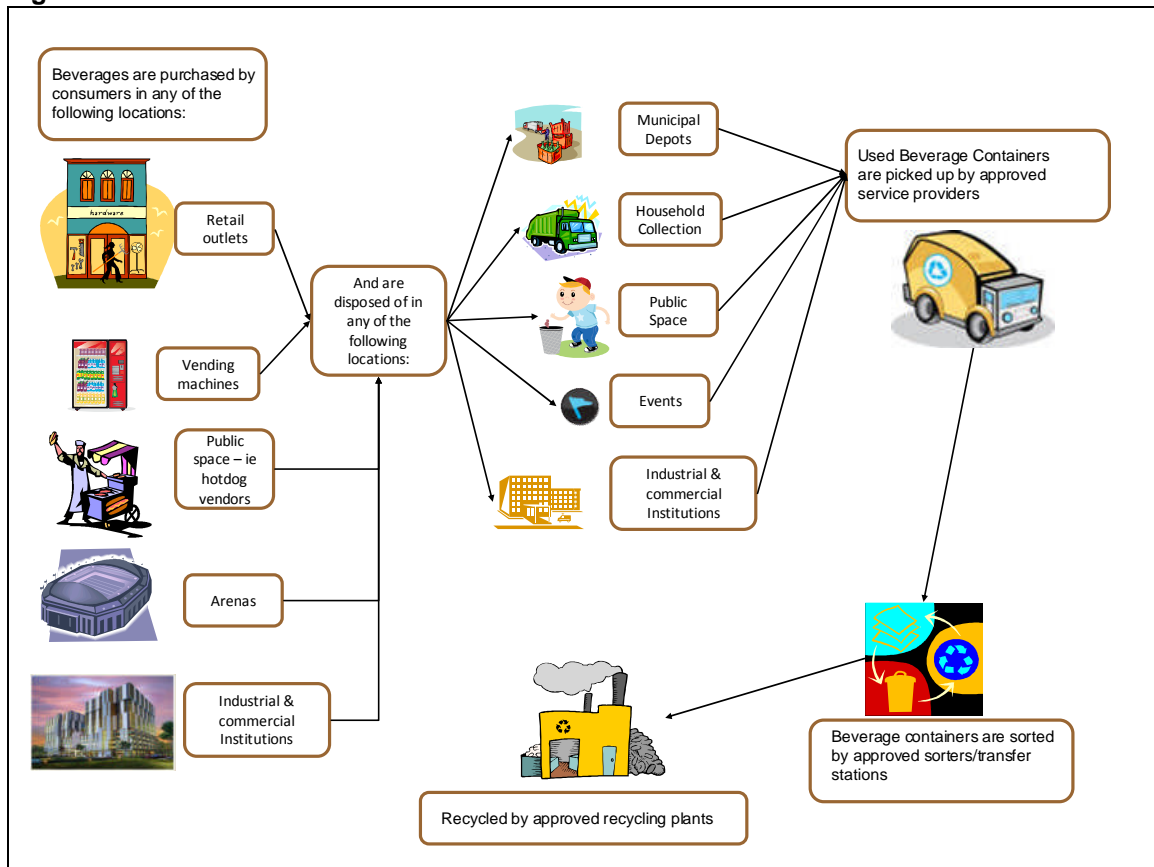
To become a registered and approved service provider (consolidation, processing, or export), CBCRA will establish a web-based system where a company can provide relevant information that will allow their application for involvement to be reviewed and approved.

ii. Self-Operated Programs

CBCRA recognizes that a number of municipalities, businesses, public buildings, and events currently operate independent recycling programs. CBCRA will aim to partner with existing collection sites that have established recycling programs. Support will be provided to these locations by conducting site assessments and determining how best to improve and increase the diversion of sealed beverage containers. This may be accomplished by additional promotion and education tools, signage or by providing more or different recycling containers that promote greater public participation.

21. Material Consolidation, Processing & Marketing

Figure 21.1 Flow of Material to Processor



Processing of beverage containers involves receiving and sorting inbound recyclables into specific material types. Based on the recycling streams available and the current downstream market, CBCRA will work with processors to produce the greatest revenue by meeting end market specifications. For example, given historic and current aluminum values, aluminum containers will generally be sorted and baled into this specific stream. For the other beverage container material streams, the prevailing market trend has been to sort into steel, gable top, glass (clear/colour), PET and HDPE. Subject to the inclusion of other materials in the program, CBCRA, in conjunction with processors, will assess which stream additional materials should be sorted into based on material composition and revenue potential.

Marketing of beverage containers, where CBCRA may choose to participate in this activity, will be done in conjunction with contracted processors. CBCRA will work with processors that receive its program recyclables to ensure their facilities meet and exceed end market specifications. Issues such as moisture and outthrows are two challenges that will always require managing. As well, outthrows or contamination in the final sorted material is also measured and monitored by downstream markets. Each stream has its own tolerance to cross contamination and general waste. Excessive amounts of contamination will cause revenue reductions and possibly load rejections. As such, it is extremely important that processors working with CBCRA have the ability

to receive, sort and store processed recyclables that will preserve the integrity of the final product quality.

22.Potential Contractor List

In its operations, CBCRA will encourage collection sites to partner with a variety of service providers in order to ensure that recycling bins are serviced and material is processed in a reliable and timely manner. In order to prepare for the rollout of its pilot programs, CBCRA has compiled a list of possible partners based on the information on recyclers and haulers provided by Manitoba Product Stewardship Corporation (MPSC) in its 2006 Recycling Markets Directory. The information has been modified to remove non-beverage container streams and contact information. Table 22.1 and Table 22.2 following identify possible recycling partners, and identify which material streams they accept as well as the types of services they provide.

Table 22.1 Services Provided by Local Manitoba Recyclers

Canadian Beverage Container Recycling Association Program Plan

Mixed Loads	Services			MANITOBA Local Recyclers	Materials Accepted								
	Collect	Process or End-User	Broker		Gable Top Containers	Aseptic Containers	Steel Containers	Aluminum Containers	#1 PET Plastic	#2 HDPE Plastic	Glass Containers	Other Plastics	
■	■	■		Altona & District Association Altona	■	■	■	■	■	■	■	■	
■	■			Blue Sky Recycling Ste. Anne	■	■	■	■	■	■	■	■	
	■		■	Brandon Waste & Recycling Brandon									
■	■			Boissevain Recycling Project Boissevain	■	■	■	■	■	■	■	■	
	■	■		Comerstone Enterprises Gimli			■	■	■	■	■		
■		■		Environmental Options Lac du Bonnet	■	■	■	■	■	■	■		
■	■		■	Flin Flon & District Environment Council Flin Flon	■		■	■	■	■	■		
	■			Interlake Salvage & Recycling Stone wall			■	■					
■	■			Keystone Metals Ltd Brandon			■	■					
■	■			McCreary & District Recycling Centre McCreary	■	■	■	■	■	■	■		
■	■			North Eastern Regional Recycling Facility – (ACL Beausejour Branch) Beausejour	■		■	■	■	■	■		
		■		Parker Distribution Winnipeg								■	
■	■	■		Pembina Valley Containers Morden	■		■	■	■	■	■		
■	■	■		Pinawa Recycling Pinawa	■	■	■	■	■	■	■		
■	■			Red River Workshop - ACL St. Malo	■	■	■	■	■	■	■		
■	■			Riverdale Place Workshop Inc. Arborg	■	■	■	■	■	■	■		
■	■	■		Sprucedale Industries Austin	■	■	■	■	■	■	■		
	■			Ste. Rose & District Recycling Depot Ste. Rose du Lac	■	■	■	■	■	■	■		
■	■	■		Valley Lions Recycling Inc Swan River	■	■	■	■	■	■	■	■	
	■			Whitemouth-Reynolds-N. Whiteshell Waste Mgmt Whitemouth	■	■	■	■	■	■	■		
■	■			Winnipeg Recycling Service Winnipeg	■	■	■	■	■	■	■		

Table 22.2 Services Provided by Regional Manitoba Recyclers and Material Brokers

Brokers and Regional Recyclers are those who are shipping truckload quantities of recyclables.

Mixed Loads	Services			MANITOBA Brokers & Regional Recyclers	Materials Accepted										
	Collect	Process or End-User	Broker		Gable Top Containers	Aseptic Containers	Steel Containers	Aluminum Containers	#1 PET Plastic	#2 HDPE Plastic	Glass Containers	Other Plastics			
	■	■		Ace Recycling Inc. <i>Winnipeg</i>			■	■							
■	■	■	■	Browning-Ferris Industries (BFI) <i>Winnipeg</i>	■			■	■			■			
■		■	■	Chisick Metal <i>Winnipeg</i>			■	■							
■	■	■	■	Eastman Recycling Services <i>Steinbach</i>	■	■	■	■	■	■	■	■			
■	■	■	■	Gateway Resources Inc. <i>Winkler</i>	■	■	■	■	■	■	■	■			
■	■	■		General Scrap <i>Winnipeg</i>			■	■							
■	■	■	■	Industrial Metals <i>Winnipeg</i>			■	■							
■	■	■	■	International Paper Industries Ltd <i>Brandon</i>	■	■	■	■	■	■	■	■	■	■	■
■	■	■	■	International Paper Industries Ltd <i>Winnipeg</i>	■	■	■	■	■	■	■	■	■	■	■
			■	Logan Iron & Metal Co. Ltd <i>Winnipeg</i>				■							
■	■	■	■	Metro Waste Paper Recovery Inc. <i>Winnipeg</i>	■	■	■	■	■	■	■	■	■	■	■
■	■	■	■	Orloff Scrap Metals <i>Winnipeg</i>			■	■							
■	■	■	■	Phoenix Recycling Inc. <i>Winnipeg</i>	■		■	■	■	■	■	■			
■	■	■	■	Portage & District Recycling Portage la Prairie	■	■	■	■	■	■	■	■			
■	■			Thompson Recycling Centre <i>Thompson</i>	■	■	■	■	■	■	■	■			
■		■	■	Versatech Industries <i>Winnipeg</i>											
		■		Wesman Salvage <i>Brandon</i>			■	■							
■	■	■	■	Western Scrap Metals <i>Winnipeg</i>	■	■	■	■	■	■	■	■			
		■		Gerdau Ameristeel Manitoba Metals <i>Selkirk</i>			■								

23. Reporting System

In order to allow 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 require participants to report their sales of beverage units according to material composition and size. The reporting system will also come fully equipped with an accounting component that will enable participants to contribute their CRF dues online.

CBCRA intends that the reporting system will ultimately function as a single component in a larger administrative system that includes customer service tracking and the MTS (see Section 25 below).

CBCRA participants have entered into a confidentiality agreement committing to withhold sensitive business information, such as sales figures, from one another. Only the contracted program manager of CBCRA will have access to this information.

24. Customer Service

In order to provide information to the public and to interested partners, CBCRA has set up a staffed customer service line to answer any inquiries. Customer service can be reached at 1-877-810-7362.

In order to ensure quality customer service, all calls will be logged and followed up on where required.

25. Material Tracking System

CBCRA will be responsible for tracking the quantity of beverage containers that are recovered and marketed to appropriate material recyclers. In order to ensure that all recovered material is captured, CBCRA will implement a web-based material tracking system (MTS). Service providers will be required to use the system to report the following statistics at a minimum:

- Quantity of beverage containers collected, by material composition
- Cost to collect and sort beverage containers (by container type and material type)
- Revenue from marketing the material

The MTS will allow CBCRA to ensure that material recovery is accurately reported and that costs incurred are an accurate reflection of material management cost.

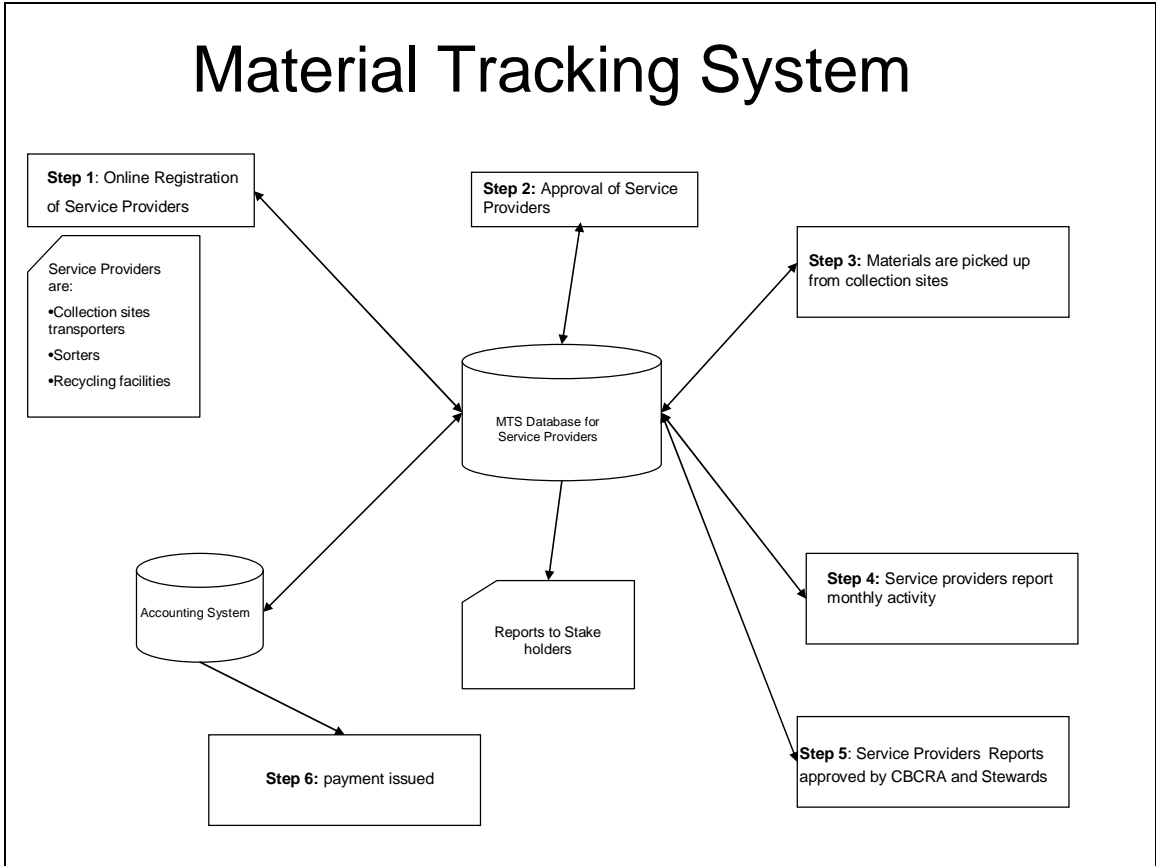
The system will employ service provider-oriented registration and reporting websites that will fulfill the following functions:

- Allow companies to register with CBCRA
- Allow companies to report online
- Allow CBCRA to issue payments on invoices received
- Allow CBCRA to report out on system and financial performance

The MTS will provide CBCRA the ability to report the quantity of material recovered and marketed. The MTS will streamline and build in efficiencies to minimize CBCRA's operating costs plus ensure that it has the right information for audit and review purposes. CBCRA will design its MTS to ensure reporting consistency and full compatibility with MMSM.

Figure 25.1 on the next page highlights the expected operation model of the MTS.

Figure 25.1 Material Tracking System Process



PART VIII – PROGRAM COSTING & TIMELINE

26. Program Costing

Table 26.1 and Table 26.2 on the next two pages present the preliminary budget until the end of 2011. Forecasts of revenue and spending are drawn conservatively in order to minimize the organization's financial risk in its initial start-up phase. The budget is a top down budget; the programs will not spend more than is available; and the level of spending is controlled by the available revenue. The forecast revenue has been set for planning purposes at 80% of estimated potential revenue. CBCRA's obligation for the residential collection channel is also based on 80% of MMSM beverage related obligation which was verified by calculation of the primary and ancillary packaging obligation as reported by companies representing over 50% of the volume.

The various program budgets are based on best estimates for what these programs will cost with a balance of "visibility and volume" goals. The Communications budget assumes \$250,000 in transition communications between Apr. 1 and formal program launch July 1, 2010. Repayment of loans to individual founding companies will occur in June and July. Technical and Management Support includes executive management and program delivery in MB including planning and implementing events-based recycling programs, post-secondary education recycling programs, small IC&I, municipal public spaces, and public buildings. Steward Services includes steward reporting systems, program accounting, A/R, A/P, and annual reporting.

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Table 26.1 Year 1 (April - December 2010) Budget

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Subtotal Year 1 (9 month/yr)
OPENING CASH BALANCE	\$0	\$102,000	\$339,068	\$418,009	\$475,013	\$560,577	\$642,758	\$489,693	\$424,053	
<i>Inflows</i>										
CRF Revenue	\$0	\$578,876	\$665,169	\$589,663	\$582,472	\$568,090	\$445,843	\$417,079	\$654,382	\$4,501,574
Member advance	\$102,000									\$102,000
TOTAL INFLOWS	\$102,000	\$578,876	\$665,169	\$589,663	\$582,472	\$568,090	\$445,843	\$417,079	\$654,382	\$4,603,574
<i>Out Flows</i>										
MMSM Obligation		\$138,851	\$138,851	\$138,851	\$138,851	\$138,851	\$138,851	\$138,851	\$138,851	\$1,110,811
Banking, Accounting & Reporting		\$150	\$2,650	\$2,650	\$150	\$150	\$150	\$2,250	\$2,250	\$10,400
Legal Services		\$35,000	\$65,108	\$10,000	\$10,000					\$120,108
Events Recycling Program			\$25,000	\$30,000	\$30,000	\$30,000	\$15,000	\$10,000	\$30,000	\$170,000
Small IC&I Program			\$5,000	\$10,000	\$20,000	\$20,000	\$40,000	\$40,000	\$20,000	\$155,000
Municipal Public Spaces Program				\$30,000	\$50,000	\$50,000	\$50,000	\$30,000	\$30,000	\$240,000
Gov't Buildings Program					\$15,000	\$15,000	\$20,000	\$30,000	\$30,000	\$110,000
Transition Communications (SE funded)		\$75,000	\$100,000	\$75,000						\$250,000
Awareness Campaign P&E			\$20,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$770,000
Manitoba Office Set up and Operations		\$4,667	\$5,167	\$5,167	\$5,167	\$5,167	\$5,167	\$5,167	\$5,167	\$40,833
Technical & Management Support		\$52,187	\$52,187	\$52,187	\$52,187	\$52,187	\$52,187	\$52,187	\$52,187	\$417,496
Steward Services		\$4,880	\$4,880	\$4,880	\$4,880	\$4,880	\$4,880	\$4,880	\$4,880	\$39,040
Board expenses (D&O Insurance, meetings)			\$5,000	\$500	\$500	\$500	\$500	\$500	\$500	\$8,000
Contingency 10%		\$31,074	\$42,384	\$48,424	\$45,174	\$44,174	\$45,174	\$43,884	\$43,884	\$344,169
Startup Expenses			\$120,000							\$120,000
Member Advance repayment							\$102,000			\$102,000
TOTAL OUTFLOWS	\$0	\$341,809	\$586,228	\$532,659	\$496,909	\$485,909	\$598,909	\$482,719	\$482,719	\$4,007,857
NET CASH FLOW	\$102,000	\$237,068	\$78,941	\$57,004	\$85,563	\$82,181	(\$153,066)	(\$65,640)	\$171,664	

Canadian Beverage Container Recycling Association Program Plan

CLOSING CASH Balance	\$102,000	\$339,068	\$418,009	\$475,013	\$560,577	\$642,758	\$489,693	\$424,053	\$595,717	
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Canadian Beverage Container Recycling Association Program Plan

Table 26.2 - 2011 Budget

	12-Months Budget 2011
REVENUES	
Container Recycling Fees	\$ 5,500,000
Beverage-related Blue Box Obligation	<u>(1,250,000)</u>
	<u>4,250,000</u>
PROGRAMS	
Events Recycling Program	200,000
Awareness Campaign P&E	800,000
Small IC&I Program	150,000
Municipal Public Spaces Program	900,000
First Nation/Northern Program	280,000
Gov't Buildings Program	800,000
Post Secondary	30,000
Program Management Services	626,244
TOTAL CBCRA Programs	<u>3,786,244</u>
OTHER OPERATING EXPENSES	
Steward Services	58,560
Administrative/Corporate Expenses	149,000
Total Other Operating Expenses	<u>207,560</u>
Total expenses for the period	<u>3,993,804</u>
Surplus/ (Deficit)	<u><u>256,196</u></u>

27. Funding Mechanism

a. Container Recycling Fee (CRF)

On April 1, 2010 CBCRA instituted a \$0.02 container recycling fee (CRF) on beverage unit sales for all CBCRA participants. The CRF will temporarily be set at a uniform \$0.02 for all beverage containers. The revenue from this CRF is intended to cover the cost of beverage container collection in all collection channels including residential collection administered by MMSM, as well as financing CBCRA operations. The CRF administered by CBCRA is used to fund the beverage stewards' obligations for the residential (MMSM) as well as away-from-home collection costs.

b. Transition to Variable CRF

CBCRA will evaluate the relative costs of collecting and processing different types of beverage containers from the key away-from-home collection points. This information will be used to conduct a cost allocation exercise in 2011 in order to arrive at differentiated fees for each container type and size. This cost allocation exercise will be complete by the end of 2011. Fee-setting will be based on reported sales into the Manitoba market by CBCRA participants plus management costs less material revenue, as based on operations during 2010.

c. CRF-Setting Methodology

Once CBCRA transitions to a differential CRF, fee-setting will be based on a three-step methodology that will ultimately calculate an individual CRF for each material grouping provisionally defined in this Plan. The methodology will be approved by the Manitoba Government before being implemented. Should the CBCRA wish to change the fee-setting methodology it will consult with the MB Government before doing so. The fee-setting methodology is subject to refinement at the discretion of CBCRA's Board of Directors and the approval of the Minister of Conservation. The three steps are as follows:

i. Calculating Net Cost

The following cost areas will comprise the net cost of the system:

- All CBCRA program, capital, infrastructure and administrative costs
- All material revenue received through contracts or programs
- Participants share of MMSM costs for beverage packaging only (Includes the container, closure, label, cardboard and shrink wrap)
- Board approved operating surpluses and reserves

ii. Allocating Cost to Container Groups

Insofar as possible, programs will attempt to segregate costs by material grouping, thus minimizing the necessity for material allocation. In those cases where material segregation is not possible, CBCRA will devise a formula to fairly and equitably reflect costs.

Similarly, CBCRA will allocate common administrative and P&E costs across material groups in an equitable manner.

iii. Setting a Material-Specific CRF

The material-specific CRF rate will be a function of total cost allocated to that material group divided by total expected sales for that material group. Expected sales will be based on prior year quantities as reported by CBCRA participants.

d. Annual Review

The CRF rates will be subject to an annual review at the end of each fiscal year during program planning for the coming year. The plan will be developed on the basis of prior year cost and volumes, with adjustments made as necessary for redefined strategic priorities, required program changes, cumulative surpluses, operating reserves and other planning considerations as determined by the Board.

In the course of budget setting and program planning, management will determine a recommended CRF for each material group in accordance with anticipated plan costs and the fee-setting methodology outlined above. Management will review the recommended CRF rates with the audit committee during plan development. Provided it is not changing the methodology, the CBCRA Board will set any new CRF rates. It will inform Government at least 90 days in advance of any change in the CRF to ensure that any public communication can be coordinated.

Once the fee rates are provisionally set, management will present the material specific CRF rates to the CBCRA Board together with a recommended effective date. The Board, when satisfied, will direct management to present the CRF rates to participants at least 60 days in advance of the new rates taking effect.

The CBCRA external auditor will review the CRF calculation annually with management and report to the Audit Committee and Board

e. Communication of CRF to the Consumer

CBCRA will provide to the Manitoba Government a communications plan each year 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 across all retail sectors.

CBCRA will consult with MB Conservation staff 90 days prior to any annual change of CRF rates to ensure a mutually satisfactory communications plan.

PART IX – PROGRAM GOVERNANCE

28. Governance Model

a. CBCRA Board

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

- 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

These members have collective experience on the following beverage stewardship boards:

- Alberta Beverage Container Recycling Corporation
- Alberta Beverage Council
- Alberta and BC Dairy Council programs
- Encorp Atlantic
- Encorp Pacific
- Manitoba Product Stewardship Corporation
- Multi-Material Stewardship Manitoba
- Stewardship Ontario
- BGE (Boissons Gazeuses Environnement)

b. Working Committees

The CBCRA Board has established several working Committees to enable the Board to better perform its duties. A Committee may involve Board members only or can be a combination of Board and external members with a particular expertise, e.g. financial or communications. The established committees include:

- a. Communications committee
- b. Governance Committee
- c. Audit Committee

29. Annual Report

At 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. CBCRA will design its report in accordance with the guidance principles outlined by Environment Canada in its 2007 document *Performance Measurement and Reporting for Extended Producer Responsibility Programs*.

The Annual Report will be designed as a self-contained document, equally accessible to stakeholders familiar with the organization and its program, and to newcomers encountering CBCRA for the first time. As such, each report will contain a profile of

Canadian Beverage Container Recycling Association Program Plan

CBCRA, and a description of its strategic vision and programs, in addition to information on prior year recycling and financial performance.

By the time the program is mature, the annual report will include, but may not be limited to, the following performance metrics:

- **Brand Awareness:** This metric will measure the extent to which CBCRA's P&E outreach campaign has penetrated into the public consciousness. CBCRA will measure its progress through focus group research and public opinion polling examining degree of awareness and level of knowledge about the program.
- **Participation & Accessibility:** This metric will measure the success in increasing public access to away-from-home recycling infrastructure. As the program develops, CBCRA will establish appropriate criteria for measuring its progress in expanding away-from-home recycling opportunities for Manitobans.
- **Material Collection & Management:** Total material collected and marketed, both in absolute terms and expressed as a percentage of total available for collection, through CBCRA's away-from-home program. This metric will measure 1) CBCRA's progress toward the objective of a 75% recovery rate for beverage containers in the process; and 2) its success in diverting recycled material from landfills and back into the market.
- **System Cost & Efficiency:** The total cost & cost per tonne to manage each material group. This will indicate CBCRA's success in delivering a cost-efficient program.

Performance measurements will be presented in their temporal context, which will allow readers to chart the program's progress against previous years' performance. The Report will present audited financial statements, itemizing total revenue, costs, expenses and deficits/surpluses for each material group.

Appendix A

MEMORANDUM OF UNDERSTANDING DRAFT

BETWEEN

MULTI-MATERIAL STEWARDSHIP MANITOBA Inc.

(hereinafter referred to as “MMSM”),

- and -

Canadian Beverage Container Recycling Association

(hereinafter referred to as “CBCRA”).

BACKGROUND

- A) The Packaging and Printed Paper Stewardship Regulation #195-2008 (the “Regulation”) promulgated under The Waste Reduction and Prevention Act of Manitoba

The Government of Manitoba promulgated the Regulation in December 2008.

The Regulation obligates the stewards of designated material (printed paper or packaging that contains products or service packaging that is made of glass, metal, paper or plastic) to be part of a stewardship program that will provide for the appropriate management of these materials at the point where they become waste.

In WRAP Guideline 2008-01 dated November 2008 that accompanied the Regulation, beverage containers were subjected to a 75% recovery rate target.

- B) CBCRA

CBCRA is a not-for-profit corporation that was put in place by various beverage stewards to develop and implement a non-residential beverage container recovery program with the objective of meeting the 75% beverage container recovery rate target.

- C) MMSM

MMSM is a non-profit organization that operates a province-wide recycling program for packaging and printed paper, primarily by funding municipal curbside recycling programs.

MMSM understands that the 75% beverage container recovery rate target is not achievable through municipal curbside recycling programs.

MMSM's Packaging and Printed Paper Program Plan contemplates non-residential beverage container recovery under an Enhanced Beverage Container Recovery Program.

MMSM has determined that it will not proceed with its Enhanced Beverage Container Recovery Program because the objectives of the program are being fulfilled by CBCRA's non-residential beverage container recovery program.

NOW THEREFORE the following represents the understandings of the Participants to this Memorandum:

1. CBCRA will continue to implement its non-residential beverage container recovery program and MMSM will continue to execute its Packaging and Printed Paper Program Plan, with the objective of meeting the 75% beverage container recovery rate target.
2. MMSM and CBCRA will exchange information as needed to facilitate the efficient and effective management of the parties' respective recovery programs, including but not limited to:
 - a. aggregate data on the recovery of beverage containers by material type;
 - b. beverage steward remittance obligations to MMSM; and
 - c. public communications regarding beverage container recycling or any of the designated materials pertinent to beverage containers.
3. MMSM and CBCRA will keep confidential competitively sensitive steward-specific information.
4. CBCRA will remit beverage related stewardship fees to MMSM on a quarterly basis on behalf of and as directed by participating beverage stewards and MMSM will accept such payments as if remitted by the participating beverage stewards.
5. If any dispute arises between MMSM and CBCRA:
 - a. The parties will attempt to resolve the dispute through designated representatives from each of MMSM and CBCRA within thirty (30) days upon which written notice of the dispute was first given, or as otherwise agreed upon;
 - b. If the parties are unable to resolve the dispute within the above period, MMSM and CBCRA will within thirty (30) days thereafter jointly select an arbitrator to arbitrate the dispute or failing agreement as to an arbitrator within such time a judge of the Court of Queens Bench of Manitoba shall appoint an arbitrator on behalf of the parties.

- c. The arbitrator will render a decision on the dispute and the award arising therefrom, may be enforced in accordance to the *Arbitration Act Manitoba*.
6. The Executives of both MMSM and CBCRA will meet by conference call or in person on a quarterly basis in Year 1 and 2 and annually thereafter.
7. This Memorandum of Understanding came into force on October 1, 2010 and will remain in effect until October 1, 2012 with annual reviews and subject to 180 days written termination notice by either party.