

# Practices in Alberta That Prevent Fraud, Free-Riding and Errors

Beverage Container Management Board (BCMB) is delegated by the Government of Alberta, and operates as the beverage container recycling system regulator, overseeing the collection and recycling of beverage containers. BCMB uses multiple tools to combat fraud, free-riding and errors. Many of these are listed below.

## Acronym Key:

**BCMB:** Beverage Container Management Board

**CSA:** Collection System Agent

**CSP:** Collection Service Provider

**R&R:** Reporting and Remittance

## Operating Agreements

BCMB uses operating agreements to establish requirements and responsibilities for key system participants, including the Alberta Bottle Depot Association (on behalf of depots), the Collection System Agent (on behalf of beverage manufacturers), and CSPs.

## Advertising Policy & Framework

Under BCMB's Advertising of Deposit Policy, deposits must be displayed separately from the product price when beverage containers are advertised or sold in Alberta. BCMB may investigate instances of non-compliance and issue compliance fees, and where appropriate, refer matters to the Government of Alberta for further enforcement action.

## Mystery Shopper Program

BCMB's Mystery Shopper program involves unannounced visits to retailers and bottle depots to assess compliance with program requirements, and help maintain the integrity of Alberta's beverage container system.

## Enforcement Compliance Hearings

BCMB investigations involving serious non-compliance with the Depot By-law or Alberta's Beverage Container Recycling Regulation (BCRR) may be referred to a BCMB Board panel for a hearing to permit suspension or cancellation.

## Annual Evaluation of CSA

Every year, BCMB evaluates the performance of the CSA, Alberta Beverage Container Recycling Corporation (ABCRC), to assess compliance with its operational, financial, and administrative responsibilities.

## Staff to Execute Enforcement

The BCMB has over 20 staff members, including a number of compliance officers dedicated to preventing fraud, free-riding and errors in the deposit return system.

## By-Laws

BCMB's by-laws establish the rules, requirements, and processes that govern Alberta's beverage container recycling system. Several by-laws specifically address BCMB's interactions with key system participants, including the Collection System Agent (CSA) (Alberta Beverage Container Recycling Corporation [ABCRC]), and Alberta's network of beverage container depots.

## R&R Framework

As part of BCMB's R&R Framework, beverage manufacturers, distributors, liquor agencies, and other registrants must register beverage containers with BCMB, report sales volumes through the CSA, and remit the appropriate deposits. The CSA must provide this information to BCMB for review. Manufacturers may be charged an administration fee when sales volumes or deposits are not reported, underreported or reported inaccurately.

## Refund Compliance Program Audits

Under BCMB's Refund Compliance Program, all depots undergo independent third-party audits and must meet established refund compliance standards. Depots that do not meet these standards may enter a three-level Compliance Framework that includes additional audits, corrective actions, and compliance fees.

## System Wide Notification

When depot operators identify concerns related to container returns, refund eligibility, or other matters that may affect the integrity of the beverage container recycling system, they may submit those concerns through BCMB's Quality Management System (QMS). BCMB reviews and actions those submissions as appropriate. Where warranted, BCMB may communicate relevant information to the broader depot network. This acts as a BCMB-led notification and information-sharing process.

# Roles in the Alberta Deposit Return System



## Beverage Container Management Board (BCMB)

Role: Regulate, oversee, report to the Government of Alberta's Ministry of Environment and Protected Areas.

BCMB is Alberta's only beverage container recycling system regulator. Our role is to administer the Beverage Container Recycling Regulation (BCRR) under Alberta's Environmental Protection and Enhancement Act. BCMB **does not** operate bottle depots, set Container Recycling Fees (CRFs), or manage the day-to-day collection and recycling of containers. Instead, BCMB:

- Regulates Alberta's beverage container recycling system
- Permits and oversees the system's network of bottle depot and CSA/CSP
- Registers and approves beverage containers sold in Alberta
- Approves acceptable recycling methods
- Administers compliance and enforcement with the regulation and its bylaws through inspections, audits, and reporting requirements
- Setting handling commissions (the compensation paid to depots for accepting and sorting beverage containers)
- Retail and retailer compliance; ensuring retailers apply deposits correctly and sell only registered containers.

## Collection System Agent (CSA)

Role: Administer, collect from depots, recover, report.

Alberta Beverage Container Recycling Corporation (ABCRC) acts as Alberta's CSA, working on behalf of beverage manufacturers. ABCRC helps administer Alberta's deposit return system, collects fees from manufacturers, manages unredeemed deposits, and coordinates the recovery, recycling of many beverage containers, and sale of the beverage containers materials as commodities.

## Collection System Provider (CSP)

Role: Collect, refill, reuse.

The Alberta Beer Container Corporation (ABCC), operating as Brewers' Distributor Ltd. (BDL) manages Alberta's refillable beer container system on behalf of brewers. Refillable beer bottles can be washed and refilled multiple times before being recycled.

## Bottle Depots

Role: Collect, refund deposits, sort container types.

Bottle depots are the entryway to Alberta's deposit return system. Individually-owned and operated and located in over 160 different communities across the province, bottle depots collect empty beverage containers, refund deposits to Albertans, sort empty beverage containers by material type, and prepare them for transportation and recycling.

## Beverage Manufacturers, Distributors, Retailers, Agents, etc.

Role: Register, remit, report, sell/distribute beverages.

Companies that sell ready-to-serve beverages in Alberta are responsible for reporting, remitting, collecting and advertising applicable fees to help fund the system. Manufacturers, distributors, retailers, agents, etc. must register their beverage containers, report sales, and meet regulatory requirements established under BCMB regulation and by-law.

## Consumers

Role: Purchase beverages (and applicable deposits and fees) and return the containers to bottle depots.

When consumers purchase beverages and return empty containers for refund, they help ensure valuable materials are recovered and put back to productive use, supporting economic activity instead of becoming waste. Consumers are incentivized to return their containers through Alberta's deposit values (\$0.10 for containers up to 1 litre, \$0.25 for containers over 1 litre).