

Title: Thursday, August 30, 2007 and Environment Committee

Date: 07/08/30

Time: 9:02 a.m.

[Mr. Ducharme in the chair]

The Chair: If I could have everyone's attention, please, I'd like to call the meeting to order. I'd first of all like to welcome the members and the staff that are in attendance as well as those members who are participating via teleconference. We also have representatives in attendance here today from Alberta Environment to provide us with a technical briefing on the beverage container recycling regulation.

I'd ask that we commence by introducing ourselves, those that are around the table and then we'll go on to those that are on the phone lines. So I'll start to my left.

Mrs. Sawchuk: Karen Sawchuk, committee clerk, Legislative Assembly Office.

Mr. Reynolds: Rob Reynolds, Senior Parliamentary Counsel.

Mr. Kane: Pat Kane, Alberta Environment.

Ms Craig: Renée Craig, the environmental law section of Alberta Justice.

Dr. Massolin: Philip Massolin, committee research co-ordinator, Legislative Assembly Office.

Ms Sorensen: Rhonda Sorensen, manager of communications services, Legislative Assembly Office.

Mrs. Kamuchik: Louise Kamuchik, Clerk Assistant, director of House services, Legislative Assembly Office.

Mr. R. Miller: Rick Miller, MLA, Edmonton-Rutherford.

Mr. Graydon: Gord Graydon, MLA, Grande Prairie-Wapiti.

Mr. Lund: Ty Lund, MLA, Rocky Mountain House.

Ms Yee: Bev Yee, Alberta Environment.

The Chair: Denis Ducharme, MLA for Bonnyville-Cold Lake.

Mr. Eggen: Dave Eggen, MLA for Edmonton-Calder.

The Chair: And if those of you that are on the phone lines could please introduce yourselves.

Dr. Swann: David Swann, Calgary-Mountain View.

Mr. Mitzel: Len Mitzel, Cypress-Medicine Hat.

The Chair: Thank you.

The meeting agenda and the supporting documents were posted online for printing and viewing as of yesterday. I apologize. There were a lot of submissions that came forward, but we'll have an opportunity to deal with that as we go further into the meeting.

I'd ask if I could have a motion, please, that the agenda for the August 30, 2007, meeting of the Standing Committee on Resources and Environment be adopted as circulated.

Mr. Lund: I so move.

The Chair: All in favour?

Hon. Members: Agreed.

The Chair: Carried.

The next item that we have is the approval of the July 31, 2007, meeting minutes. Have the members all had an opportunity to review the minutes from our first meeting? If so, are there any revisions or corrections that need to be done? If not, I'd ask for a motion that the July 31, 2007, meeting minutes of the Standing Committee on Resources and Environment be adopted as circulated. Moved by David. In favour? Carried.

Mr. R. Miller: Are we back at this again?

The Chair: We're back at that again. We have to vote. Thank you.

As I mentioned earlier, we have senior officials from Alberta Environment in attendance this morning to provide a technical briefing for the committee. Unfortunately, Mr. Watson, the deputy minister, was unable to join us. Our guests introduced themselves for the record, but I'd just again like to welcome them. We have Ms Bev Yee, assistant deputy minister, environmental stewardship; Mr. Pat Kane, manager, pollution, prevention, and conservation; and Ms Renée Craig, solicitor, legal services. Welcome. I'm looking forward to your presentation. I'll step away here so that no one has to look at me all the time to view what's behind me. Go through your presentation, and I'm sure that we'll have some questions to ask you afterwards.

Thank you.

Ms Yee: Thank you. Good morning, everyone. It's a pleasure to be here this morning, and we're very much looking forward to your input into this process.

Just to start off, our beverage container recycling program has actually been in place for 35 years here in Alberta. It is one of a number of provincial stewardship programs that include programs for recycling of scrapped tires, used oil products, and waste electronics. Each of these programs is established in regulation, and the regulations carry an expiry date, and that's very deliberate. It was designed that way to ensure that regulations are reviewed on a regular basis, and that allows us to take a look to make sure that programs continue to be relevant. We would take a look at the necessity to have programs, and they are reviewed on a regular basis. The beverage container program is currently under review.

In the presentation this morning what I'd like to do is first give you an overview of the existing system to give you a good understanding of the workings of it and then talk about issues that we've identified in the review process through some of our consultation processes as well as through our own work and then give you a sense of the department's assessment of those issues and what our recommendations are for program changes and improvements and moving forward on those issues.

Just as an overall context for this review this program actually started in 1972. It actually works quite well. Over the years as we've reviewed it, some things have changed in the program; other things have remained the same. I think that even though things are working quite well, there's room for improvement, lots of room for us to be better than what we are today.

In the review process a number of issues have been identified. We did a stakeholder consultation, and a number of issues have surfaced. You'll find that there are differing opinions from stakeholders as to how those issues could be resolved. I think this is really, truly an opportunity for Alberta to grow and evolve our program to be among the best in the world. We've got a pretty solid foundation to build on.

In terms of the purpose of the program, as with all of our provincial recycling and stewardship programs the lens we use in develop-

ing and evaluating the programs is always focused around environmental outcomes. The beverage container program originally was designed to reduce litter in the environment, and over the years it's actually evolved to encompass a broader range of environmental outcomes. That would include the desire to reduce the amount of waste that is going into Alberta's landfills. That has the end result of extending the lifespan of landfills and reducing the footprint on the landscape because of landfills.

The program also focuses on conserving natural resources, the kinds of resources that are used to make beverage containers that include aluminum, glass, petroleum products that are used to make plastic. Also, by doing that recycling and conserving those resources, we're actually conserving on energy and water that would be used in the extraction and processing of the virgin materials at the start. There's also the added benefit of reducing greenhouse gas emissions if we're reducing that kind of a footprint.

To give you a sense of what the program looks like today, I want to give you an overview. The early '70s was really when these ready-to-serve individual containers became very, very popular, and as they became popular, it led to a litter problem. People easily tossed them out, threw them in the garbage, tossed them out the window as they were driving once they were done with them, and that was really the original impetus for the development of this recycling program.

What the regulation does is require that a minimum refund be paid to consumers on beer, soft drink, alcohol, and other beverage containers when they return them to the depot for recycling. Currently there are some containers that are excluded from this system, and specifically I would identify milk containers as well as disposable cups. We'll get into a little bit of the issues around exclusion of milk containers a little bit later. The regulation also specifies that the program is paid for by manufacturers, and the program costs are actually paid by manufacturers and depots. The cost is actually passed on to consumers. When you purchase a beverage container, you'll notice on the receipt that there is a nonrefundable container recycling fee on the bill. You'll see that in addition to the deposit, which gets refunded back to the consumer. The government does not receive any of this funding and does not supply any funding for the program. It is those fees that pay for the overall cost of the recycling program.

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In terms of what the consumer sees, it's actually very simple for the consumer. The consumer goes to the store, purchases a beverage in a container, consumes the beverage, and then returns the container to a depot and would receive the full refund. So for the consumer side of it is relatively simple.

From behind the scenes in terms of how the system is operated, I want to point out the four major players in the system. Firstly, there is the Beverage Container Management Board, and this is actually the delegated authority that has overall responsibility for the program. Then if I flip to the bottom part of that slide, as a consumer you would bring your containers to depots or liquor stores. Those would get collected from those outlets by two organizations, the Alberta Beverage Container Recycling Corporation and the Alberta Beer Container Corporation, and they would collect up all the containers and ensure that they get processed.

A little bit bigger view of that, then. If you take a look here, the BCMB, which is the Beverage Container Management Board, is the delegated authority that has overall responsibility for the program. They operate at arm's length to government and are accountable to our minister. If we look at the function of the BCMB, they've got responsibility for ensuring that all the kinds of beverage containers or types of containers that are sold in Alberta get registered. They also provide oversight on the container collection, and that was through the ABCRC and the ABCC. They also look after and

handle permits for depots and are responsible for operating standards for our depots. In the province we currently have 216 depots and another 60 liquor stores that accept only beer containers. In addition to that, there's a responsibility for enforcement as well.

So, overall, although the system is simple to consumers, the ins and outs and nuts and bolts behind the scenes is actually quite complex.

In terms of recycling, when those containers get collected, I did want to share with you that the regulation does stipulate that all the containers that are collected must either be reused or recycled. Glass beer bottles get reused, and they can actually be reused up to 20 times before having to be recycled. Then on this slide what we've tried to demonstrate is to give you a sense of the kinds of materials that these containers get recycled into. Obviously, aluminum cans are very easily turned into new aluminum cans. Plastics can actually be recycled into fleece clothing. It can also be recycled into other kinds of plastic containers that would be nonbeverage, perhaps a plastic container for detergent, for example. Glass containers can be recycled into fibreglass. They can also be recycled into little glass beads that get used in highway paint to increase the reflectability of that paint. Then any of the containers containing paper would be recycled into other kinds of paper products, typically cardboard or other paper products. Tin would get recycled into construction rebar.

I did want to share with you some of the results. I had mentioned at the outset that this program works very well and that we're very successful in the program. As I said, the program looks simple to the consumer. When we actually look at it from behind the scenes, it's very complex. The system actually handles billions of containers in a year and millions of dollars in any given year. Therefore, when you have a system that is that large, handling that number of containers and that amount of money, good management and oversight of the system are very essential.

We pulled up the 2006 results to share with you that in total there were almost 1.5 billion containers recycled. That is out of a total of almost 2 billion containers that were sold in Alberta. That represents a recovery rate of 74 per cent. I always like to translate it into per person, and that's 442 containers per person recovered and recycled.

In terms of flow through of monies in the system, \$89 million in deposit money flowed through the system. When we translate that into what the impact is on the environment – I had said that we focus on environmental outcomes – that represents 35 kilograms per person of material that's diverted away from the landfill. When we did the math on that, that actually saves an estimated 385,000 cubic metres of space in Alberta's landfills and has a very positive effect on litter reduction.

Other environmental benefits as well when we look at these 2006 figures. This would save more than 430,000 barrels of oil. It avoids 60,000 tonnes of greenhouse gases and decreases the kinds of raw materials that we would need to make new products. So the significance of the environmental outcomes are quite great.

This is a graph that illustrates the growth. I apologize that from the rear of the room it might be difficult to read. If you focus on the yellow bars and the red bars, the yellow bars are the number of containers sold in the province, and then the red represents the fraction of that that is recovered. You'll notice two spikes that occur. In 1997 we introduced Tetra Pak into the system, so you would see an increase in the system there. In 2001 beer was brought into the system, so you see an increase there.

If you look at the general trend, you'll see that in terms of containers sold, the trend continues to increase quite significantly. If you look at the trend on containers recycled or recovered, it also is increasing, but you'll see that the gap between what is sold and what is actually recovered is growing. So even though we have these successes, we do have some challenges. This is a result of our

growing population. The strength of our economy has a lot to do with it too.

Even though the trend is positive, when we look at the recycling rates – and this is how we measure performance – the return rate is actually decreasing if you look at 2002 through to 2006. In 2004, in that first front end of that, the recovery rate, the recycling rate was about 80 per cent and for 2006 has dropped to 74 per cent. Some might say: well, that's only a slight decrease in percentage recovered. If we look at 2006 and if we had maintained an 80 per cent recovery rate, it would have meant that 115 million more containers would have been recovered. So in terms of total number of containers it is actually quite significant. I think this just points out that there's room to improve, and because of the challenges we've been facing in more recent years, it causes us to look for opportunities for improvement.

We do believe that Alberta can have a world-class program and does in many ways have the makings of a world-class program. In focusing on the opportunities, we really focus on three areas: taking a look at best practices, considering programs that are done elsewhere, and taking lessons from them. We have staff that look very often into other kinds of programs and review them to see if there are things that we can learn from elsewhere.

Again, just to reinforce a point I made earlier, we continue to focus on environmental outcomes and look at: are we achieving the best environmental outcomes that we can, and are there opportunities to do better? Then on the side of transparency and accountability this is a program where consumers are paying into it. The need for transparency and accountability to consumers is there, and we want to hold true to that as well.

I did want to reference that through the Canadian Council of Ministers of the Environment there was a set of principles that were established for what makes a good environmental stewardship program. I did want to give you this context as you take a look at the program and give us your input.

Some of the elements of what makes for a world-class program. Firstly, the question needs to be asked: do we have a level playing field? In other words, have we included all the players that need to be included in the program? What kinds of results are we getting out of the program that we have? Can we take a look at recovery rates? Are they increasing? Are they decreasing? Are people aware of and supportive of the program? Are consumers participating in the program? Any negative answers to those questions would cause us to review and look at potential opportunities to change the program to improve. Is the program environmentally sound in terms of the way that it's operated? Is it economically efficient so that it's least cost for everybody concerned? Looking at responsibility of industry in terms of the end-of-life management of projects, is the program designed in such a way that we've got the appropriate level of engagement and responsibility for industry? When we look at how the program is managed, is there appropriate multistakeholder involvement and, as I mentioned, transparency and accountability both on the environmental side as well as on the financial side? So these would be the things that we judge our program against as we review it.

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I did want to share, then, in terms of the review and this information, and a lot of detail is in the binders that we provided to you. But I wanted to give you a context that when we reviewed the programs, we did take a look at the issues that were identified to us from stakeholders through that consultation process. We had an online survey that we invited stakeholders to participate in. Just to identify for you what surfaced out of that, the greatest number of responses we got from stakeholders related to the issues around exemption of milk out of the system, deposit levels and whether they were high enough to get the kinds of recovery rates that we want, and service

quality. In general, that was the feedback that we got through the stakeholder consultation.

A public survey was also done, a telephone survey that went out to 1,400 Albertans. Again, the results were quite significant. There was a great deal of support from the public for inclusion of milk in the deposit refund system and also for raising of deposit levels.

The other thing we would base our issue identification on would be our own staff involvement and staff expertise. Our staff do participate on the board of the Beverage Container Management Board. We do review programs, review annual reports, review business plans, and we have staff expertise in these types of stewardship programs.

That forms the basis on which we bring to you, then, the main issues that we've surfaced out. What we've done is taken the broad issues and divided them into three categories. I want to look first at the issues that are associated with the achievement of environmental outcomes; secondly, to look at issues that are associated with this concept of transparency and accountability; and then, thirdly, to look at issues that really are around efficiency and effectiveness of the program overall.

In terms of environmental outcomes milk being excluded from the regulated system did surface out as a key issue. Currently the way that milk container recycling is handled is through a voluntary program. The department has a memorandum of understanding with the Alberta Dairy Council. The program was started in 1999, starting with plastic milk jugs, and later, in 2001, milk cartons were added to that program as well. The program is funded by having recycling fees that are charged to the consumer of 1 cent or 2 cents on milk containers. The ultimate goal for recovery of milk containers: we set a goal of 75 per cent. We did set some interim targets for 2006 because we haven't been seeing the kinds of recovery rates that we'd like to see. Our interim target for plastic jugs in 2006 was 62 per cent. You'll note here on the screen that the actual recovery rate was 52 per cent. The interim target for cartons was 55 per cent, and the actual achievement was 28 per cent. So they are lower return rates than we would like to see, and this is an issue where there's a lot of debate about how to handle milk containers.

I did want to talk a little bit further about this issue. There are two camps. There are folks that support keeping this as a voluntary program, and there are stakeholders that see that it is really important to bring it into the regulated system, so I wanted to share with you some of their perspectives. For those that believe that milk containers should be added to the regulated system that we currently have, some of the points that they make are that it would increase the actual number of containers recycled if it was part of the deposit refund system, that it would reduce some of the consumer confusion that we get. Oftentimes we hear stories about consumers bringing in milk jugs and expecting a refund at a depot, and they don't get a refund. So there's some confusion on the part of consumers.

It would also remove duplication of collection systems. The Dairy Council has established a good system and has done some good work with municipalities, but potentially there's some duplication there. There are also some stakeholders that have commented to us that by excluding milk containers, it actually gives milk producers a competitive advantage over juice and other beverage manufacturers since the milk producers do not have to charge the deposit. So that has been another issue that's been flagged for us.

Now, I do want to talk about the flip side because there are those that support continuing the voluntary program and not bringing milk containers into the regulated system. Some of the points that they make. They would argue that Albertans today, because of the work the Dairy Council has done, do have reasonable access to milk container recycling. There is some feeling that by charging a deposit, it would create an added burden to low-income families. Some municipalities feel that it may adversely affect some of their recycling programs. They're able to recycle a broader program of

plastics materials because there's high value in milk plastic, so it attracts and allows them to be able to deal with recycling of other plastics as well, and there's some fear that the cost of managing milk containers would increase if they were brought into the regulated system.

From Alberta Environment's perspective we'd like to point out a few things. The deposit is fully refundable, so consumers would only incur an extra cost if they chose not to recycle the container. Another observation that we would make is that the nonrefundable container recycling fees for similar products under the regulated system have been comparable to those that are being charged under the voluntary system, so we don't expect that there would actually be increased costs. There currently are already some bottle depots that have made arrangements with the Dairy Council where they're collecting milk jugs and milk containers, so it can be demonstrated that it potentially can be accommodated in our depot system.

Other concerns around health risks. We don't see that the health risk of handling these materials is any greater than that of other containers. In terms of dealing with other plastics and the potential jeopardy to the recycling of other plastics by municipalities, the department is looking at a broader packaging program that would address plastics in the future.

From the department's point of view we do believe it is time to add milk containers to the regulated system. We think that that would help to level the playing field, and also we would get higher return rates and improved environmental outcomes.

In terms of deposit levels the issue is that there's a feeling that current deposit levels are too low to encourage a high return rate. Right now there are three deposit levels. You would pay a deposit of 5 cents on any container up to and including one litre – and that would exclude beer – 10 cents on any beer container up to and including one litre containers, and then 20 cents on any containers larger than one litre. Right now, when we take a look at other jurisdictions, Saskatchewan has deposit levels that are slightly higher than ours, and I'll show you a slide of that. Their return rates are higher.

It has been demonstrated that although there are other factors that contribute to return rates, deposit levels are quite significant, and in this province folks understand the system and are used to using that system. In this case our feeling is that we should increase the deposit levels. We would get some better results from that.

The other thing that we're seeing in more recent times is oversized containers, and this really is a movement to bottled water, the large containers for bottled water. It's been flagged for us that the deposit level of 20 cents on those very large plastic containers is not enough incentive to return those, so the other recommendation we would have is that it probably is time to review the situation with these oversized containers, get a better understanding of how much of a problem they are and of what kind of deposit level would be effective.

Just to share with you deposit levels, currently on one litre and under, and I mentioned this earlier, you'll see 5 cents and 10 cents – there's a differentiation with beer – and over one litre is 20 cents. In the stakeholder consultation stakeholders have suggested that for under one litre we should charge a deposit of 10 cents, for 1 litre and over 25 cents. There have also been other proposals that suggest that we go with a single rate for all containers and just make it significant enough that it would drive the return.

I'm sharing with you here the Saskatchewan deposits. They charge 10 cents on the zero to nine, so the under one litre, and then from one litre to four litres is 20 cents, and four litres plus is 40 cents. We believe that oversize containers need some better analysis. This is a new trend that we're seeing. It's fairly new on the market, so we need some further analysis on it. I would note that manufacturers are opposed to any rate increases.

9:30

In terms of issues affecting transparency and accountability, then, I want to talk about unredeemed deposits. Unredeemed deposits are the money that would result from consumers that don't bring their containers back for recycling so don't collect their refund. In Alberta that would amount to about \$15 million to \$25 million per year in unredeemed deposits. Unredeemed deposits are not specifically addressed in our regulation today. There is no formal accountability for their use. Right now the funds that are managed by the Alberta Beverage Container Recycling Corporation – that's the nonbeer side of things; the beer is managed by the Alberta Beer Container Corporation – those unredeemed deposits typically are used to subsidize the program costs. While there is reporting on the part of the ABCRC, there is no reporting on the part of the Alberta Beer Container Corporation. These acronyms are awfully challenging, aren't they? Our feeling is that we need to be accountable to Albertans and make sure that we're very clear and transparent about that, so our recommendation in this area is to regulate the reporting and transparency in the use of unredeemed deposits.

There has also been other discussion about: should the regulation even go further and specify how those unredeemed deposits could potentially be used? At the very least we believe that we need to improve the accountability on reporting.

Then, lastly, issues affecting efficiency and effectiveness of the program, starting with collection systems first. Just to give you an idea that the collection system is actually quite multifaceted, you saw in that earlier diagram that I showed you that the refillable containers are collected by one means; nonrefillable containers are collected by another means. Then when we brought beer into the system, there was a little bit of overlap. Really, in this situation there is just a lack of integration of those collection systems. Our feeling is that there could be potentially some benefit in making sure that those collection systems are well integrated. Our recommendation in this area is really to amend the regulation and allow whatever the organization that has been delegated the authority for running the program to ensure the effectiveness of the collection system, ensure that that gets reviewed. It's carried on in a certain manner for a number of years, and our feeling is that increased integration would actually result in some benefits.

On the side of the consumer, service to consumers, basically you saw from the graph I showed you earlier that the containers have increased and continue to increase in Alberta, but when we look at the depot system, that collects those containers, the depot system has remained relatively unchanged. We haven't evolved that part of the collection system to meet the kind of increased demand. There is some observation, too, that service quality in depots is declining.

Some of the challenges we face right now with growth in the province. Too few collection points exist. Some of the collection points are not convenient for folks, for example, and municipal zoning bylaws have something to do with that. Edmonton requires that depots can only be sited in light industrial areas. Given, you know, where people live, that may not always be convenient for consumers to access. The other issue in today's market: real estate cost. Land market values are also a challenge. To give you an illustration of that, we've got a request for a proposal for three available depot openings in Calgary that's been open since May, and I've had no applicants for that.

Then on the service side of it with this amount of increased activity: concerns about depot cleanliness, the hours of operation may not be convenient for folks, wait times – if you've driven by some of these depots, there are long lineups on a Saturday – and just overall service quality.

We've done some research. There are other kinds of options. There's always the option of return to retail. There's an option of having what we call, using different technology, reverse vending

machines. Reverse vending machines are literally vending machines where you can put your empty container in the machine and receive your deposit back. In Finland they use that. It actually accounts for more than 85 per cent of the returns. So we do think that there is a lot more opportunity to be more creative, more innovative, and provide better service to all Albertans. Our recommendation here is to amend the regulation to allow additional collection options. We do believe that the depot system is the backbone system. We need to continue to maintain that, but I think we can be more creative in the kinds of options related to collection.

Overall, just to conclude, then, you can see that the beverage container recycling system is very multifaceted. It is very complex, but by the same token, we think we have an opportunity to grow the system and improve the kinds of environmental outcomes while reducing the cost. We do have a very good program in Alberta, a good foundation to build on. This is about continuous improvement to ensure that we continue to give good service to Albertans.

Thank you very much.

The Chair: Thank you very much for the presentation. I'm sure it was very informative to all of us. I'd now like to open up the floor and the phone lines for other colleagues if they have any questions that they'd like to ask pertaining to this presentation or any other questions that they may have to pose to the department.

The hon. Mr. Lund.

Mr. Lund: Well, thank you. Thank you, Bev, for that presentation. It was enlightening to see some of your recommendations, in fact some of the things that I've been thinking of since we got into this, and you are making them as recommendations.

One overarching, though, that I would like to see us take a real serious look at would be to challenge the designated administrative organization, in other words the management board, that the department would say to the board: we would expect you to achieve a collection rate. I think we need to ramp it up: perhaps as a starting point 80 per cent but move gradually up to a much higher level, 80-plus, possibly even up close to 90 per cent.

I think what that would do, then, is encourage them to look at some of the recommendations that you're making relative to other options, other ways of collecting. As far as I know, in the rural there are cases where possibly they should be allowing a bottle depot to have a satellite that would be open for, say, two days a week, that sort of thing, in another community so that those people have the option to get their refund. You can set a bin there, but they're not going to get their refund unless you go to the more expensive way that you mentioned from Finland, and I question the efficiency of that kind of an investment. Maybe it works – I don't know – but it would be something that we'd sure have to study.

Also, I know that as I drive around, I see many more containers just thrown out the window. Obviously, those people are not concerned about the deposit. I don't know what kind of recovery we would get if there were some bins at certain locations, say in grocery store parking lots, that, yeah, there's no refund, but there's a bin for them to throw there. Through that the bottle depots could still get their – but I also see that as a huge opportunity for some nonprofit organizations to raise funds. We see that in the schools currently, but to expand it.

So I think that if the management board had the challenge that we expect them to change the system so that the recovery rate would come up, it would challenge the bottle depots, and they would, I'm sure, come up with new ideas. Currently there's really no great incentive for them. They've got a franchise basically, and the incentives aren't there. I think that we need to really seriously look at some of those options.

Ms Yee: Thank you. We agree. That kind of innovative thinking is exactly what we're hoping for, that in this review we would stimulate those kinds of ideas and options. Part of it: we do annually work with the BCMB in their business planning and through that business planning help enable setting of targets. We would review that in the annual report. I think what we can do now to take it to the next level is look at some regulatory changes that would enable further innovation of the kind that you're talking about too.

9:40

Mr. Lund: If I can make just one more comment, Mr. Chairman. It's my understanding that the board is somewhat stymied in its ability to act because of the ability of too many to have a veto. Therefore, nothing gets changed. You commented briefly that there haven't been any major changes in the bottle depots. Well, it's my understanding that part of that is coming from the way the board is struck.

Ms Yee: We are aware and the minister is aware of some of these issues related to board structure, and we are looking at a variety of options to address that very issue. Yeah.

Dr. Swann: It's David Swann in Calgary, Bev. Could you talk about the structure of that board and how they're identified and what some of the key barriers are? I appreciate the comments earlier from Mr. Lund. It's not clear to me where the barriers to change are here.

Ms Yee: Okay. I'll start, and then I'm going to invite Pat Kane to give you some specific details. The makeup of the BCMB is multistakeholder. It does represent the main players. They do have representation of all the main players in the system, that we showed you in that diagram. They have representation on the board. I think our challenge over time has been helping those folks who have particularly a vested interest focus on the environmental outcomes. Those have been some of our challenges.

Pat, could you comment in more specific detail on the makeup of the board?

Mr. Kane: Well, sure. There are four representatives from the depot industry. That includes one from the liquor stores. There are four from the beverage manufacturers, and there are four public representatives, one of which is Alberta Environment, appointed by the minister. The four public representatives are one from a nongovernmental organization, the second one is a representative of the Municipal Districts and Counties and the AUMA, and the third representative is a public appointment at large.

Dr. Swann: So is that 16?

Mr. Kane: No, that's 12. Sorry.

Dr. Swann: Oh, okay. Just summarize it again for me.

Mr. Kane: Four representing the depot sector, the collecting sector; four representing beverage manufacturers; and four public representatives.

Dr. Swann: Including Alberta Environment?

Mr. Kane: Correct.

Dr. Swann: Thank you.

The Chair: On this point, Mr. Lund.

Mr. Lund: Thanks, Mr. Chairman. I had a little bit to do with setting some of this up. It was my understanding that they were supposed to work on consensus, and it's my understanding that there was a court challenge, and the judge ruled that consensus means unanimity. Basically, when you think of that, really, what that does is give a veto because if you have to have 100 per cent, then everybody has got a veto.

Mr. Kane: Your interpretation is correct.

Mr. Lund: I think that's where one of the major problems to moving forward is.

The Chair: Mr. Miller.

Mr. R. Miller: Thank you, Mr. Chairman, and thank you very much, Ms Yee, for an excellent presentation. I'd like to talk about the milk containers for a minute, if I could. I have a couple of questions and a comment. I'm wondering whether or not the department has information regarding other jurisdictions that may have chosen to include milk containers as part of their programs and what sort of return rates they're realizing, in other words whether or not having a deposit has affected returns as you're hoping they would in your recommendation.

I asked a question at the last meeting, and I might as well ask you since you're here. I understand that you believe that a deposit would not negatively affect low-income or fixed-income families as long as they return, obviously. But have you any information as to whether or not that is in fact likely to happen? Has there been any study done on the impact of adding milk containers on low-income and fixed-income families? Those are the questions, and then I'll do the comment afterwards, if I can.

Ms Yee: Okay. I'll start with the second question. I'm going to flip to Pat to pick up on the front end of the question. Originally we did do a little bit of scoping work, not a detailed study, on impact on low-income families. I think part of it is the access. It's related to access to the depots and the cost of transportation to get there, so it is actually related to these further improvements we want to make in terms of providing greater access. The more access points you have, you reduce the barrier of the transportation cost, potentially, to get there. There hasn't been a detailed study, but there has been some analysis of what some of the factors are that contribute to some concern for low-income families.

Pat, can you speak to other jurisdictions and milk?

Mr. Kane: You bet. No other jurisdictions that I'm aware of have milk under deposit. I think the example that I like to look back to is that in 1997 the little juice boxes were not part of the regulated system. The industry then had a voluntary program in which container returns were about 10 per cent. They were brought in under the regulation in 1997, and since then the return rates have increased to about 55 per cent. I think that with the changes that we're recommending to deposits and consumer access, those return rates will increase even further. I think that from the perspective of the impact on the consumer, some people don't realize that there is a cost to the voluntary program, and it is passed on to consumers. Some retail outlets show it on the slip, and others don't.

For comparison purposes, for example, the two-litre milk container under the voluntary program has a 1-cent levy. Under the regulated program currently a two-litre juice container, a similar container as milk is packaged in, has a zero container recycling fee on it. For the four-litre jug, for instance, the voluntary program for milk has a 2-cent recycling levy put on by the Alberta Dairy Council, and the regulated program has a zero container recycling

fee. However, that container recycling fee in the regulated program does vary, and last year it was 2 cents.

I guess I would like to make a few other comments on this issue. Soy milk has been included in the system since 1998, and we've not received any complaints on the fact that soy milk is in. I think that, as Bev has mentioned, if we continue to look at a more flexible system, that will provide greater, more convenient access to all consumers. The deposit is 100 per cent refundable, so if consumers do the right thing, then they get the reward. The ones who don't get the deposit back are doing the wrong thing, basically.

Mr. R. Miller: If I could, Mr. Chairman, I just want to go to the comment about the unlevel playing field that the milk producers have versus juices and other beverages. I'd rather have my kids drinking milk than sugared juice or a carbonated drink any day, and if it requires an unlevel playing field to make that happen, so be it.

Thanks.

The Chair: Any other questions?

Hearing none, I do have a couple. I hope I can address these. If I may, I want to thank the department for the information binder that we received. It certainly contains a lot of information, and I thank you for providing all the members with that information. In the binder there is a reference to commission rates that are paid out to the depots. There is no indication as to what percentage those rates are. I was wondering if that information could be shared with the committee.

Mr. Kane: Absolutely, Mr. Chairman. That information is contained in a bylaw of the Beverage Container Management Board, and we can certainly forward that on to you for distribution to members.

The Chair: We would appreciate that. Thank you.

Also, having more to do with the operational side, at the retailer side is the board responsible for monitoring the fees to make sure that they are charging the correct fee? It's just that someone came to my office the other day and showed me an invoice where for pop containers under a litre he was being charged 10 cents a container. Also, it appeared as though GST was also included on the deposit side. If I could just get clarification on that, as to how it is monitored. Also, I guess, at the same time how does the flow of the funds occur, let's say, from the retailers back to the board? If someone could explain the flow of the deposits.

9:50

Ms Yee: Pat, do you want to handle that?

Mr. Kane: Yeah. Hopefully, I have all of your questions here. The fees at retail: it depends on the retail store. My experience has been that the larger retail stores will show the deposit and the container recycling fee on the slip that you get. The larger stores that I've been in have on the shelf the fact that a deposit and a levy are being charged. The container recycling fees vary by type of container. So you could buy a juice box and pay one amount, and you could buy a soft drink and pay another amount. That's also information, Mr. Chairman, that we can provide to you so that you can provide it to the committee.

In terms of the flow of funds a manufacturer would distribute beverages to wholesale. They would pay the deposit and the container recycling fee. That money would flow back to the common collection agent, and in turn the common collection agent, once they pick up their containers, would pay back the refund that the depots have paid to consumers. They would pay the depots a handling commission, relating to the question you asked earlier about what depots are paid for each container.

The Chair: Regarding the monitoring I understand that there's a different fee depending on the type of container. My question is more specifically: if a retailer is overcharging for a specific container, who monitors that?

Mr. Kane: Who would monitor? I guess the consumer, really, would be sort of the policeman here. I don't think the Beverage Container Management Board does any monitoring at retail except for registered containers, so conceivably the retailer, you know, could charge any amount. I'm not clear on the monitoring. I would have to get back to you.

Ms Yee: We can follow up with that information. The monitoring that actively the BCMB is involved in: they do spot checks to see if depots are returning the correct deposits to consumers. There is a spot check program that regularly checks on that, but we'd have to get back to you on the kind of monitoring that might or might not happen with the retail charges, which is what you're asking about.

The Chair: That's correct.

Ms Yee: Yeah.

The Chair: And the GST: is there an exemption or not?

Mr. Kane: The recycling levies are considered a service, and GST is applicable to that service, so they would be subject to the GST.

The Chair: Okay.

Mr. Hinman: I have a couple of questions. One, because of the stalemate of the Beverage Container Management Board has Alberta Environment looked at doing away with that board? My understanding is that the ABCRC feels that they could manage it and look after that. Has there been any discussion on that?

Ms Yee: We are currently looking at a number of options for the overall oversight for the program and authority for that program. We are reviewing the options that are available to us.

Mr. Hinman: The other question that I have, I guess, goes back that you have in your recommendations the need for more sites and better access. It just is an inconvenience to a lot of people when they have their containers. My question is: has there been any look at the franchise for the operating licence? I mean, it's a monopoly. Are you looking at opening that up and just saying: "You know what? If someone wants to open up a beverage container recycling place, we'll allow them. We know the flow. It has to go back." Are you considering that?

Ms Yee: We are looking at that issue of access to consumers quite broadly, but we do believe that having depots is necessary to the system. It's: how can they be best operated? What other kinds of options can be provided to consumers? So we're looking at the access for consumers quite broadly.

Mr. Hinman: Like you say, in Edmonton, for example, it has to be in the light industrial, but out in rural areas there are small communities that don't have it, yet it just seems like there would be someone in that community. I had someone approach me last week saying that they'd like to be able to collect it, but they can't get the licence to do it. It just seems that creating that monopoly by saying, "Only this many licences," isn't in the interest of the people who want to return their bottles. It's in the interest of the people that are actually processing them.

Ms Yee: We are looking at those issues. There are some concerns. Right now the BCMB has established rules for the distance between depots to ensure that they can actually make a living and be competitive. I think those things are all coming under scrutiny, and we similarly have had some of those issues raised to us by the public.

Mr. Hinman: I guess with that answer if I could ask one more question. Have you looked at the inflation or the premium being paid because if someone wants to buy a bottle depot, a huge percentage of the cost seems to be, "Will I have the licence?" whereas if those licences weren't a monopoly, the cost would go down considerably. It's prohibitive that it's a \$500 licence. Is there a report to show what is actually being charged to turn that licence over to a new operator?

Ms Yee: Pat, can you comment on that?

Mr. Kane: Sure. The way I'm hearing the question is: do we intend to remove any existing barriers in the regulation because really we're looking at amending the regulation to allow more flexibility? The answer is yes. For example, in the regulation retailers can't take nonrefillables back, so we need to look at allowing the managing authority as much flexibility to look at all kinds of options for container collection.

In Calgary, as Bev mentioned, you can't site a depot. The BCMB has had a request for proposals out since May and hasn't had any response. In southwest Edmonton I think we have some of the same challenges. So we have to move the industry to embrace or look at other technologies that do exist like reverse vending machines. We do need to look at the regulation to ensure that we remove any barriers to increasing that flexibility. I think that, overall, the answer is: yes, we're looking at doing that.

The Chair: Mr. Eggen.

Mr. Eggen: Yes. Thanks, Bev, for your presentation. It was great. I'm just wondering if your department has looked further afield to other, similar economies or industrialized nations or jurisdictions and rated the efficiency of return from those countries or places. Like, I'm just wondering who's employing the best practices around the western world that we perhaps can borrow from.

Ms Yee: We have actually conducted a pretty thorough benchmarking study on all of our stewardship programs compared to other jurisdictions. I believe we included part of that report in the binder, did we not?

Mr. Kane: That's correct, yes. It's the Benchmarking Evaluation of DAO Stewardship Programs in Alberta, and the consultant did look across North America and in other jurisdictions. I think that on page 53 of that report they show the overall program recovery rates through benchmarked jurisdictions. You can see that when this data was collected – I think it's a couple of years old now – we were about midway.

Mr. Eggen: Oh, yeah. Excellent. Thank you.

The Chair: Any further questions? Any questions from those on the phone lines?

Mr. Mitzel: Yes, Mr. Chairman. Len Mitzel here. I had one question. This was posed to me regarding the milk containers. They indicated that there was a public health implication to having to store and transport and process some of these jugs and cartons because

they contain traces of milk residue, and as a live-product milk it was more receptive as a host to various forms of bacteria than, say, any of the other types of beverages. Do you have any comments on that?

Ms Yee: Len, thanks. We have actually consulted with Alberta Health and Wellness, and they've not indicated to us that there is any greater risk in handling milk containers than there is of containers of other beverage products.

Mr. Mitzel: Okay. Thank you.

Ms Yee: Pat, do you want to add to that?

Mr. Kane: Just briefly, I think. You know, dairy containers are currently accepted at a number of bottle depots in the province. In fact, the Alberta Dairy Council has agreements directly, it's my understanding, with at least six bottle depots. I think one of the key messages that the Alberta Dairy Council has been trying to get out over the last several years – and I think it's a message that has to get out with all containers – is to rinse the containers prior to bringing them back to the depot. The information that we have is that the milk residue would be likely dried up and would not support pathogen growth, so I don't see it as an issue.

10:00

Mr. Mitzel: Okay. Thank you.

The Chair: Any further questions?

Mr. Mitzel: Mr. Chairman, I have one more question, and it has to do not with milk or anything but the other containers as well. I was kind of pleased to see a copy of the brochure that gives a list of all of the types of containers and certainly the amounts that people would get off their deposit for recycling them. But when I spoke to quite a few people in my area here and I asked them if they knew that some of these little juice and drink pouches and things and perhaps even these little plastic cups with the foil lids are available for recycling, they said that they didn't know. I was just wondering what could be done. I guess there needs to be a little bit more education to let people know that there are more types of containers out there than people realize. It's not just bottles and cans or, you know, juice bottles or soft drink bottles and cans that are available to get refunds on but things like these drink pouches and things. I was totally unaware of that.

Ms Yee: Len, you're quite correct that the public education and awareness challenge is ongoing. I think we've seen some efforts from ABCRC. We've certainly seen BCMB take that on too. I think we just need to continue that level of education for Albertans. Like you and I, as consumers we need the occasional reminder. Just because we were educated once doesn't mean that we remember. So that is a constant, and it has to be built in as an ongoing initiative in the program, and that is what some of the funds do pay for: our public awareness efforts.

Mr. Kane: Just one thing I would add to that, Bev, is that the survey done by the Beverage Container Management Board on the regulation indicated that almost half of the public thought milk was in the deposit system or were unsure. Here's a container that's not in the system that most people think is. So I agree with Mr. Mitzel that public awareness is an ongoing challenge.

The Chair: Any other questions?

Seeing or hearing none, I'd like to first of all thank the officials from Alberta Environment for the presentation today, for answering our questions. We're certainly looking forward to receiving that

other information that you've committed to forward to the committee. Once again, thank you very much.

I'll just call a five-minute break if we may. Thank you.

[The committee adjourned from 10:03 a.m. to 10:10 a.m.]

The Chair: If I could call everyone back to their seats, we'll resume. Our next item on the agenda is to deal with the list of responses and the abbreviated analysis. I'd like to share that to date we've received 108 responses that have come forward, so it's certainly been a high volume of responses that have come in, considerably even higher than what's happening in our other committees, which is quite surprising.

Just as far as information to share with you, of those responses that we've received, 16.5 per cent of them came back from the stakeholders that we had identified, and 83.5 per cent of the responses came from the advertising that we had placed in the newspapers. We did get a lot of media attention to this. I did participate in a few talk shows and certainly had a lot of calls that I fielded from various media outlets, so there certainly is an interest in this subject from Albertans.

Before I turn over the floor to Philip to lead the review in regard to the responses and the abbreviated analysis, Rob Reynolds has a few issues he'd like to address with the committee.

Mr. Reynolds: Thank you, Mr. Chair. My issues relate primarily to the use of the submissions and how they might be made public or what part of them may be made public. If the committee decides that the submissions be made public – and that's the assumption we're operating under – there are a few concerns that perhaps may be kept in mind. Now, while the committee is not bound by the Freedom of Information and Protection of Privacy Act because the Assembly and its committees are not identified as public bodies under that legislation, the committee may want to consider applying some of the principles that apply with respect to the handling of personal information.

Some of those principles, really, would mean that information concerning an individual, other than his or her name, would be severed before it went out, so the names and addresses wouldn't appear on the submission when it's posted on the external website. Of course, there's another situation, where the submitter may request that the information that he or she has submitted not be made public or that his or her name not be made public. Another situation, which doesn't really arise with respect to this committee, at least in the submissions that I believe have been reviewed so far, is where a submission contains personal information about a third party, which is to say where someone writes in and comments on someone else, revealing personal information about that other person.

Then, of course, there's another general category with respect to restrictions on posting information that we would suggest in the situation where the information is potentially defamatory, obviously about another person or a member or something, or otherwise objectionable. Let's say that there was a submission that contained profanity or something like that. It would be, obviously, our recommendation that that sort of information not be made publicly available. Those are the sorts of concerns we have in mind. As I said, with respect to this committee I do not recall any submissions falling into the latter two categories – that is to say, defamatory material or anything like that – based on what I've been advised.

I guess, Mr. Chair, through you what we would be looking for is some direction from the committee on this, whether to accept these principles with respect to information being made public if the submissions were to be made available on the external website, some indication that the committee would accept the principles I've just outlined with respect to either severing some information or restricting it from being posted.

The Chair: Any comments?

Mr. Eggen: Would you recommend as well that if we do this editing, so to speak, we indicate as well that we have in fact gone through this filtering process before we post the information as outlined by your reservations? If someone's going to say, "Well, I made a submission, and it's been altered and/or deleted through this filtering system," should we indicate that we have done this?

The Chair: You'd be making reference to having a disclaimer.

Mr. Reynolds: Yes. I mean, you could say that not necessarily all submissions are going to be made public or something like that.

Mr. Eggen: Yeah. Okay.

Mr. Reynolds: I should also point out that the advertisements that went out asked people if they want their submissions made public. The advertisement says: please specify if you do not wish to have your submission made public. So if they don't indicate that they don't want it made public, to use a double negative, the presumption is that it is to be made public. The other thing is that unless they specifically request that their name not be used, people's names would appear because if you don't, then you just have however many anonymous submissions. As I indicated, the ad indicates that the submissions will be made public unless we hear otherwise.

Mr. Eggen: Okay. Thank you.

Mr. Hinman: If that disclaimer is going to be on there, would we not also need to include that there were 15 or 20 submissions that asked for privacy so that people know that there are more if we're going to put it on the web? I mean, anonymity is always a problem to me. If someone had come and shared with the committee and did these things but the public can't know about it because they don't want it shared: is that something that needs to be in that disclaimer as well if we're going to have one?

Mr. Reynolds: Well, that's up to the committee, obviously, but I wouldn't necessarily think so. That could be revealed, you know, in the committee deliberations at some point when you say: well, there were however many submissions received and so many posted.

The Chair: I know that through my constituency office I did receive one e-mail with a comment that the e-mail sender had requested that the name not be included. I don't know, Philip: did you receive a lot of those that way, where the people did not wish to be identified?

Dr. Massolin: I remember only counting one of that nature.

Mr. Reynolds: Mr. Chair, the one thing I would point out is that it's not really an issue for this committee because I think there was the one instance Philip just referred to out of 108 submissions. Obviously, if this became an issue for the committee, it would be something that would perhaps be suitable for an in camera discussion because if you were discussing the privacy of specific submissions, it would be very difficult to do on the record for rather obvious reasons, but I don't think that situation arises today.

The Chair: Any other further questions or comments? Basically, I received a draft motion. I'll just read it to see if everyone concurs and ask for someone to move it. That

the committee make the submissions received available to the public on the external website except for personal information other than name, where the submitter has requested that certain information not

be publicly available, where the submission contains information about a third party, or where it is potentially defamatory or otherwise objectionable.

Mr. Lund: So under that, then, would the organizations that made a submission be identified as an organization?

Mr. Reynolds: Yes, Mr. Lund. Using the principles, I guess, of the FOIP Act, personal information would mean about an individual mainly, not an organization. I mean, when we're looking at this, you know, organization X has their address and phone number. We hadn't contemplated taking any of that out.

Mr. Lund: Mr. Chairman, with that in mind, then, I would move your motion.

The Chair: Further discussion to the motion? In favour of the motion?

10:20

Dr. Swann: Yes.

The Chair: Did I get two yeses or one yes on the phones?

Mr. Mitzel: Yes.

The Chair: Carried. Thank you. Thank you very much, Rob, for that.

The submissions listings and the analysis completed by the research staff are posted on the committee website as of yesterday. As noted, we received 108 responses, and the listing references, those who included a request to appear before the committee, have also been identified. There's also been an addendum that's been presented to you at table this morning. I'll now turn it over to Philip Massolin to review his analysis of the submissions, and then I'll open up the floor to questions.

Dr. Massolin: Thank you very much, Mr. Chair. I first want to reiterate that we had a very good response rate. Of the 108 responses that we received, we had 105 actual submissions. The three that make up the difference were actually just thank you but no thank you type submissions. "We don't want to say anything." That accounts for the difference. The 105 is the number that is reflected in the report that I've prepared.

The thing I want to do now is just to give you a brief overview of what is actually in the report. Given that there was a very short turnaround time, unfortunately I was only able to prepare an abbreviated analysis, that you see here, mostly based on a statistical analysis. The report is organized according to the issues that were presented in the press release, the news release, and the stakeholder letter and organized according to sort of our yes/no response rate. For example, would you like to increase the refund rate, yes or no? Most submitters couched their answers in a way that we could categorize in a yes or no fashion for that particular issue and others. Where a submitter would indicate a response on the question but not commit to yes or no, we've tallied that response in the total comments on issue column. Where appropriate, furthermore, we've indicated other comments in the other comments column, to the far right in the table.

In terms of trends I'm not going to go through a whole lot here. I think you can sort of see the trends yourselves, but you can see that for some of these issues here you've got an overwhelming yes response. Others are pretty even.

Dr. Swann: Sorry, Philip. It's David Swann in Calgary. I was scrambling to get the document up on my screen. What is this responding to?

Dr. Massolin: This is an analysis of the submissions that were made with respect to the regulation.

Dr. Swann: But there's a response that says yes and no, and it's not clear to me what question they're responding to.

Dr. Massolin: If you can go to page 4, you have the question: increase number of depots?

Dr. Swann: All right. I'm on the wrong slide. There are only three pages in the one I'm looking at, so I'm on the wrong document.

Dr. Massolin: Okay. Yeah, the document you should have is just the interim report on written submissions.

Dr. Swann: Okay.

Dr. Massolin: Yeah. There are a variety of issues there and sort of subissues and basically questions, yes or no type of questions for the most part, including this one that I'm highlighting here on page 4: increase number of depots, yes or no? In that case we have a 22 yes, 29 no response rate. But you can see there that the total number is 60, so not everybody has indicated their answer in a yes or no format. Some have indicated a comment on the issue without declaring a preference.

Dr. Swann: Okay.

Dr. Massolin: That's all I wanted to highlight, how I've actually sort of qualified and quantified the information. Okay?

The other issues segment follows the big table, and that occurs on page 9 of the report. Basically, this is the other issues segment, a question that was asked of the submitters, and you can see here a number of bullet points listing sort of anecdotal remarks by the people making the written submissions.

The next thing I want to highlight is the appendix A, and that has to do with the submitters who actually have requested to appear at the public hearing. There are a total of 13 who have requested outright, very explicitly, that they want to appear. The addendum that was passed out has an additional three submitters. Now, those were separated out because they are submitters who were leaning towards the public presentation but were, in our view, a little bit noncommittal on that issue. I guess the question before the committee is whether or not you want to include them all together as one group or to separate the 13 from the three.

Appendix B is a simple chart indicating the geographical distribution of submissions. There you can see that it's a fairly even distribution between north and south; however, a little bit better representation from the north. I should point out that the definition of north and south is: northern Alberta equals north of Red Deer, excluding Red Deer; southern Alberta is Red Deer south, including Red Deer, using the area code system, basically.

And then, finally, you've got an index there indicating not each and every submitter but rather the submitters who have made comments that we have opted to reflect in the big table. You have another listing, the comprehensive list of submitters, that the committee clerk has shared with you.

The last thing I wanted to point out is in terms of the submitters who want to appear at the public hearings. There are three of them who actually have asked for extensions, and I just wanted to point

that out. They were not able to make the September 10 public meeting.

The Chair: Yeah. I'll make reference to that once you've completed.

Dr. Massolin: Okay. Thank you. That, basically, is the completion of my report. If there are any other questions, I can field them now.

Mr. Graydon: Just give me again why we would separate out the three that were circulated today: the plastics recycling, Recycling Council of Alberta, and Refreshments Canada. Why would we separate those out?

Dr. Massolin: I just separated them out because they didn't indicate a clear and explicit preference. They said something to the effect that, "Yeah, we would appear if the committee wants further information from us" – it was that sort of thing – whereas the other 13 said: "Yes, definitely. I would like to make an oral submission."

The Chair: I'd make the assumption, then, that once we've had an opportunity to read their submission, if we have further questions, then we could possibly invite them in to do a presentation. I think that's more or less the gist of what the request or their comments were.

Dr. Swann: I can't hear you down here.

The Chair: The comment that I said was basically that once we as committee members have had an opportunity to review their submission, if we feel that it would warrant them coming in for further questioning, we would invite them in since they indicated that they left that option available to us as a committee.

Dr. Swann: Thank you.

The Chair: As for those that requested an extension past the submission deadline, the Alberta Urban Municipalities Association has requested an extension to the August 24 submission deadline. As noted in the letter from the AUMA, the association is asking for an extension to a date after its September 27 board meeting. We've also received a request for extension from the Alberta Beverage Council; however, we have not yet spoken to their representative to determine what length of time they were looking at.

There was another request received via e-mail which is not shown on our agenda, and that was from the Retail Council of Canada. I'd like to suggest that these groups be invited to make their submissions at our public meeting, which would give them a few additional weeks to prepare. I don't believe that the committee, with this tight time frame that we have, can afford to wait until the end of September to receive submissions.

I do want to add that I spoke with Minister Renner yesterday and advised him of the amount of responses that we've received and the general interest in the committee's review. The suggestion that I made to the minister is that the committee could consider extending the reporting deadline from mid-October to the end of October or early November in terms of giving us all an opportunity with the amount of submissions that we've received. I'd just like to hear from the committee members, if there are comments or suggestions in regard to this.

10:30

Mr. Graydon: I agree. We can't wait until the end of September for the AUMA. We don't have the luxury of that much time. But the

schedule that you're proposing, late October or early November, I think is still reasonable.

The Chair: Mr. Miller.

Mr. R. Miller: Thank you, Mr. Chairman. You will know that I expressed concerns in the past about the tight timeline, so at minimum I think it would be a wise move for us, as you suggest, to allow these three organizations the opportunity to present to us at our public hearings. Personally, I wouldn't be averse to even extending it a little bit further although I agree that September 27 – I think you said that is what the AUMA is asking for – is perhaps a little bit far down the road. At minimum, I think we should give them the opportunity to make a presentation to the public hearing.

The other thing I note in the AUMA letter is that they're asking for us to send a representative from this committee to meet with them, and I'm wondering if you have a recommendation or any thoughts on that as well.

The Chair: As the chair I've received a number of calls from various groups where they wanted to have a one-on-one meeting with me. I've declined all of them. I said that we are working in a committee fashion. Any information that they're going to be forwarding they can forward either by written form or come forward to the public meetings at a later date to be able to share that information. I think all the members have to hear the same information at the same time. So, basically, on the request to have a committee member go and meet with them directly, my feeling is that this is the same as the other groups that I've spoken to: come forward to the committee.

Dr. Swann: Thanks for that, Denis. I was invited to southeast Calgary by the Alberta Beverage Container Recycling Corporation last week, so I'm pleased to hear that, really, it's not appropriate for me to go down there and view things and receive their presentation.

The Chair: Thank you for that.

Are there any other comments pertaining to this?

Mr. Eggen: I certainly don't want to discourage the AUMA's interest in the proceedings that we have here, and whatever we can do to accommodate them I think would be useful.

The Chair: If I may, I'll just add a little bit more. When we first sat down to set up our schedule, we had identified that we would, depending on the amount of submissions, which we didn't know, be looking at the public hearings we had set up for Monday, September 10. However, it's been proposed for all the standing committees that advertising for public hearings would include a proviso that any member of the public wishing to be heard would be required to provide notice to the committee clerk no later than 48 hours in advance of the meeting date to accommodate scheduling of the presentations.

In our case advertising would occur sometime next week, after the long weekend, which would not provide sufficient time for notice to be given and scheduling completed by the committee clerk. I've discussed this with the committee support staff, and the suggestion is that we move the public meeting date to Tuesday, September 18, which will provide the additional time needed to contact those parties who have requested an opportunity to appear as well as scheduling any other parties who may come forward as a result of the advertising. We had already booked that date, September 18, in our calendar when we set up our timelines earlier, and we could also look at scheduling an additional date if required. That suggestion

would be Thursday, September 20. There are other committee meetings that are scheduled for Wednesday, September 19.

I'd just like to hear your comments in regard to this suggestion.

Dr. Swann: Denis, I wasn't part of the discussion last time. I'm sorry to have to review just a little bit the decision to hold public presentations, but can you summarize why we feel that we need to have a public process or hear public presentations?

The Chair: Well, as we had indicated when we went out for submissions, the written submissions would come forward, and we had given the opportunity to those various groups if they wished to come forward and meet further with the committee after we had an opportunity to review their submissions. We had given them that option. I guess we could still have that discussion in regard to the remainder of the public that is out there that did not submit. We can say, "Well, we had the opportunity in the first round of the advertising that you submit in written form and then come forward to meet with the board" rather than opening it up to all the public again. I guess that's a fair discussion to have around the table here.

Dr. Swann: I'm just questioning with tight timelines the importance of hearing from all those who have a significant and important concern about this, an interest in this, just how far to go. I mean, we have to be fair, but in the interest of understanding the full scope of things, I think we've got a tremendous resource in what we have received so far, and I'm not sure it's going to make a whole lot of difference. I think it could add significantly to our time and our locations that we might have to go to. I don't know. Are the sites already selected? Is it Calgary and Edmonton only?

The Chair: At this point in time the meeting would be scheduled for Edmonton. As I reviewed the list of submissions, some that are wishing to come forward are from out of province. I believe there were only a few submissions that came from the 403 area code. One of them, I believe, was from the Olds area, and there was another from Calgary, from a corporation, but Philip might be able to provide a little bit more info on that. But I believe you have that in your information package.

Dr. Massolin: Yes, that's basically right. If you want, there are three from Calgary, one from Red Deer, one from Olds that fit that situation.

The Chair: We could be seeing as many as up to, I guess, 21 presentations if we take Dr. Swann's suggestion that we just deal with those that have presented and not go forward opening it up to the public to come forward. I'd like to have further discussion on that, and if that's the case, I'd entertain a motion.

Mr. Lund.

Mr. Lund: Thanks, Mr. Chairman. I note that 56.8 per cent of the submissions came from northern Alberta, defined as north of Red Deer, and then south, some 43.2 per cent. I thought a lot about this issue of location. Really, it would be in the committee's best interest if we did schedule one in Calgary, one in Edmonton. As far as making it restrictive by now saying that if you didn't submit a written submission, you aren't going to be able to present at a public, I find that a little difficult to accept. I think that if that was the way we were going to operate, then we should have made that clear when we put out the ad. So I would favour going to two locations, Edmonton and Calgary, and that it would be open to the public to make presentations.

The Chair: Any further comments?

Mr. Eggen: I think there was a presumption that there would be a public component to this, and in fact the strength of the response that we had to the ad is part of that. So, certainly, I would entertain, as Ty pointed out, if we could go to Calgary or Edmonton, but I think we have to maintain the public component. That's absolutely necessary.

10:40

Dr. Swann: Well, I'm just reflecting on the bigger picture of environmental issues that we need to be addressing and where this fits in and trying to make it as efficient and focused as possible. It seems unlikely to me that we're going to hear anything that's going to shake the ground on which we're making the decisions that we haven't heard already. I'm simply trying to raise questions around making this as tight and efficient a process as possible while recognizing that the key people with interests in this have already identified themselves and that our decision is not likely going to be influenced substantially by a smaller vested interest. But, at the same time, I understand the need to honour the democratic process and let people who want to speak. I feel like we're in a conundrum here in the sense that we're spending a tremendous amount of time and money on things that, I really wonder, couldn't or shouldn't be made on the basis of a departmental analysis that shows where the best costs and efficiencies are.

The Chair: If I'm understanding you correctly, you're just concerned in regard to opening it up to other concerned individuals that have not submitted at this point in time. You're not in opposition to continuing on with the public meetings, which we had identified would be taking place.

Dr. Swann: I'm not opposed to the public consultations since that's been part of the understanding from the beginning. But I'm raising the question for us as a group to look at ways of making this as tight and efficient as possible because there are many more important resource and environment issues that I think this body should be addressing.

The Chair: Any other comments?

Are you willing to make a motion to that effect? Then we can have a decision.

Dr. Swann: I think we failed to indicate in our letter that those who did not submit would not be able to make public presentations, so I think it's too late now, as Mr. Lund has indicated, to appear to be exclusive. But I would like to keep in mind for future decisions that we try to make it as tight and efficient as we can. So, no, in that sense I don't at this time need to make a motion on this. I think we've already opened the door to everyone, and we should allow that, but we should learn from this for future planning purposes.

The Chair: So then you had a debate, and who won?

Dr. Swann: I lost.

The Chair: Okay. Thank you.

Mr. Lund: Well, I would make a motion that we have public meetings with public presentations in Edmonton and in Calgary and that the submissions be open to the public.

The Chair: Would you like to add the dates as I indicated, September 18 and September 20?

Mr. Lund: Certainly, I can add to the motion that it would be the 18th in Edmonton and the 20th in Calgary.

The Chair: Okay. We have a motion on the floor. For clarification if I may. I guess we'll have to place the advertisements, and I guess we'll have further discussion on that. But if there's no need to have a meeting in Calgary, we can give the direction to the committee staff to, you know, maybe just schedule it in for the one day if we're not receiving a lot of input, give them that flexibility.

Mr. Lund: Mr. Chairman, I guess I need the definition of: what is need?

The Chair: Well, if there are no submissions and the others can travel up to Edmonton is what I'm making reference to.

Mr. Lund: Absolutely. If there are none scheduled in Calgary, then we don't go there.

The Chair: And we don't have a problem with logistics as far as *Hansard* and that? No. Okay.

Mr. Reynolds: Just a point of clarification, Mr. Chair. With respect to Mr. Lund's motion I was wondering: was that meant to include or refer to the 48 hours' notice to the committee clerk that I believe you had discussed? That is to say that there would be an ad or some notification that runs that says that if you intend to make a submission, we must hear from you 48 hours beforehand. Or, you know, you set a deadline so that you'd have an idea as to who would be presenting as opposed to just leaving it open to walk-ons or whatever.

Mr. Lund: Absolutely.

Mr. Reynolds: Yeah. Okay. Thank you, Mr. Lund. I just wanted that clarification.

The Chair: Any further questions?

Mr. R. Miller: I'm just wondering, then: with this motion does that mean that we wouldn't know until 48 hours beforehand whether or not we were going to Calgary on the 20th?

The Chair: I'll pass that on to our communications expert.

Ms Sorensen: If we were to advertise, there's nothing saying that we couldn't run the ads on the 10th with the deadline being on the 12th, and then you'd still have a significant amount of time, I believe; you know, four days before the Edmonton one and six days before the Calgary one. So it would give you a little bit of notice as to whether or not you have to go.

The Chair: Now, following our last meeting, we had basically advertised and had mentioned on the various talk shows and media outlets that the public presentations would be taking place on September 10, so I think we'd have to post some kind of advisory to say that the dates, you know, have been changed should this motion pass.

Any further comments or questions regarding the motion that has been tabled by Mr. Lund?

Mr. Mitzel: Just for clarification, Mr. Chairman, the final dates, then, are what?

The Chair: September 18 in Edmonton, September 20 in Calgary.

Mr. Mitzel: Thank you.

The Chair: In favour of the motion? Opposed? What was that, Dr. Swann?

Dr. Swann: Yes.

The Chair: Yes. Okay. It's carried.

Rhonda, if I could ask you to please comment regarding the advertising for the public meetings.

Ms Sorensen: Yes. Thank you, Mr. Chair. As you may or may not recall, when we originally did the communications plan, we did indicate that we would intend to send out a news release and a media advisory inviting media to the public meetings if the committee deemed it necessary. At this point I'm recommending that we go ahead with that in conjunction with the advertising which was just discussed. For the advertising probably – and there are a few different scenarios that you could do – you could focus on just the dailies in the area where your public meeting is going to be held, or you could focus on the dailies in the area as well as the weeklies in the metro area. It's really up to the committee. Probably dailies would be your only choice at this point if you are wanting to allow for a 48-hour turnover. With the weeklies we would have to advertise immediately, so that might not be an option for the committee.

The Chair: Any comments?

Mr. Lund: Mr. Chairman, wouldn't all of these be on the website as well?

Ms Sorensen: Yes. Everything would be listed on the website.

Mr. Lund: I think, Mr. Chairman, that I would have comfort in the advertising as described.

The Chair: Would you care to make a motion to that, please?

Mr. Lund: Well, I don't want to be the only one on the record making motions.

Mr. Graydon: I'll do it.

The Chair: Mr. Graydon will make a motion. It's moved by Mr. Graydon that

the Standing Committee on Resources and Environment advertise the date and location for its public meeting in the major daily newspapers.

Any questions? In favour of the motion? Carried. Thank you.

Ms Sorensen: Mr. Chair, could I just get clarification that those dailies are in the communities where the public meeting is being held – correct? – not in all of the dailies.

The Chair: That's correct.

Ms Sorensen: Okay.

The Chair: You also wanted to give us a report on WebTrends.

10:50

Ms Sorensen: On WebTrends. You should all have the WebTrends report that was attached to your meeting package. There are just a few things of interest that I wanted to bring to your attention, and this essentially analyzes the information that we're getting from the committee website.

One interesting thing to note is that from the Assembly's main site the Resources and Environment Committee site is one of the top requested sites, with 964 requests for information on that. When you get into the specifics of the actual Resources and Environment website, just a few things I'll touch on. We had about 15,400 hits. Of that, 3,700 were views or visits, which means that people are spending a significant amount of time on the website looking through it. You'll also note that the advertising campaign for the dailies went out on August 3 and the weeklies between August 3 and 10. If you look at the chart below, it shows that there were significant activity spikes on those days, so it does show that those strategies are working.

Another point of interest, I guess, would be that the news release was the most downloaded file and that your average number of users per day is about 60 people going on and looking around. That's from July 19 to August 17. We can certainly provide this kind of information on a monthly basis if the committee feels that it would be useful.

The Chair: Thank you for that. I guess we're popular.

Any questions to direct to Rhonda? Okay.

Seeing none, we'll move on to Other Business. I believe it was at our last meeting, the July 31 meeting, that Mr. Miller had a draft motion that had been distributed to the members regarding the handling of fees by the Beverage Container Management Board. Mr. Miller, would you like to proceed at this time? Copies have been submitted to all the members.

Mr. R. Miller: Thank you, Mr. Chairman. Just for clarification purposes, actually, I had provided yourself and the clerk with the letter at the last meeting indicating that I would like to move the motion at this meeting, and I understand that copies of that motion have now been handed out to all members.

It's quite clear, based on the contact that I have had with stakeholders since being appointed to this committee or at least since this particular issue was handed to our committee as one that we would be looking at, that handling commissions is a fairly substantial issue, yet, Mr. Chair, as you know, it wasn't included as part of our mandate. When you look at some of the comments provided to us by Alberta Environment, it comes up several times even in the abbreviated analysis of the written submissions that Philip provided us with. Under Other Issues it comes up at least twice. So my motion – and I'll read it into the record – would be to move that

the matter of the continuing difficulty of the setting of handling commissions by the Beverage Container Management Board stand referred to the Standing Committee on Resources and Environment as part of its review of the beverage container recycling regulation.

Dr. Swann: I would second that from Calgary.

The Chair: I don't need a seconder, but I'd certainly entertain comments. No comments?

Mr. R. Miller: Just a little further to it. I believe that a couple of responders who were hoping to appear before us on September 10 had expressed some concern about a conflict of scheduling because they were also to appear before the BCMB's hearing panel on the handling commissions that same day. So actually it's probably a

really good thing that we've now moved our public hearings to the 18th because that will alleviate that concern that they had about the scheduling difficulties they were going to have with appearing before both of us.

The Chair: Okay. I'd just like to make a comment, if I may, in regard to the motion. Personally, I don't believe a motion is necessary because I already believe it to be part of our mandate in regard to making whatever recommendations. With the discussion we had earlier with the Ministry of Environment officials, I believe there were comments that had been set up by Mr. Lund and others. I look at that as part of our mandate, and I don't know if a motion is actually necessary. I'd just put that out as, you know, a comment to the other board members.

Mr. Eggen.

Mr. Eggen: Yeah. That was my presumption as well, that the scope of the board's activities is something that we are commenting on too, so I'm not sure. Perhaps Mr. Miller can elaborate on why he thought that, you know, we had to make this distinction, I guess.

Mr. R. Miller: Sure. One of the things that you'll remember is that at our last meeting we added the other issues to it, and that in some respects addressed the concern when I first prepared this. At that point we didn't have other issues identified. So what the chairman says is in all likelihood correct. You know, we've sort of allowed for it there. I guess I would suggest that there's no harm in making it official at this point if we've all agreed that it's likely to be included under other issues anyway.

Mr. Hinman: Did someone not make a request already to get those handling fees and that they were going to get back to us and get that information to us? I would agree with you that I think we're already heading down that path and that it's not necessary.

Mr. Eggen: I mean, it certainly doesn't matter to me one way or the other, whether we bring it forward formally as a motion or not. Just by the fact that we're having this discussion now on the record would indicate to me that we were going to address this, and certainly I have it as part of my intention to talk about this. I think we all have some understanding that there's an issue here.

Mr. Lund: Well, Mr. Chairman, I thought that when we added other issues, that would cover this. I guess the problem I have with going forward and approving this is that we may then exclude some other things that we want to deal with if we start identifying other issues that were not specifically mentioned in the original mandate to us. So for that reason I would not support moving forward with this motion.

The Chair: Having heard comments, did you wish to leave your motion standing, or would you like to withdraw it?

Mr. R. Miller: Yeah, I'll let it stand, and whatever happens happens. Clearly, we'll deal with it under other issues if we don't approve it here, and if we approve it here, I would respectfully disagree with Mr. Lund. I don't think that that excludes other issues. I think it would perhaps, you know, raise the relevance or the visibility of this particular issue, but it's not a big issue for me either way.

The Chair: Any comments from those on the phone lines?

Mr. Mitzel: No.

Dr. Swann: No.

The Chair: Okay. I'll ask the question. Those in favour of the motion? Could I have hands here, please? Okay. We have one hand and one voice vote against. The motion is defeated.

Are there any other items for discussion today?

Dr. Swann: Can I go ahead?

The Chair: Yes, you may, Dr. Swann.

Dr. Swann: I've been contacted by CBC and I think one other medium since joining the committee asking for information about what we were talking about and what kinds of issues we were going to be dealing with and specifically wanting more detail about the beverage container recycling discussions. Could we have a little discussion about what we should be free to say and what we shouldn't be free to say about our discussions?

The Chair: At our preliminary meeting you might recall or might not recall that if there were going to be any inquiries, they would be directed to the chair. I would hope that that would be the way that we would continue to operate. As the advertisements went out, et cetera, the contact person had been identified as the chair.

Dr. Swann: Okay. And in your absence that would be me, I guess.

The Chair: That's correct. If I'm unable to do it, we'll defer to you.

Dr. Swann: Very good. Thank you. That's clear.

Well, let me ask you, then: are you comfortable talking about issues, the substance of our discussions if not any decisions, in the period during which we're considering these issues?

11:00

The Chair: Well, I think that in fairness to the committee once the committee has had an opportunity to debate and come forward with its recommendations, that would be the appropriate time. Once we've made decisions, I would certainly be able to share that with Albertans and the media. In the meantime, you know, it's just your personal opinion, and in fairness to the other committee members I don't think we should be out there voicing our own different personal opinions and should work as a committee.

Dr. Swann: No. I agree with that. I think I've spoken once in general terms about what we're discussing, and I will defer in future to the chair.

The Chair: Thank you very much.

The date of our next meeting, as we've indicated, will be September 18 in Edmonton, and I'm sure we'll have further information as it comes forward relating to Calgary on September 20.

Mr. R. Miller: We can take the September 10 meeting out?

The Chair: Yes. The September 10 meeting can be deleted. I would now look for a motion for adjournment.

Mr. Eggen: I move that we adjourn for this morning.

The Chair: In favour of the motion? Carried. Thank you. Thank you for joining us on the phone lines, gentlemen.

[The committee adjourned at 11:01 a.m.]