

P.E.I.'s Beverage Container Program

Highest recovery rate in Canada

by Clarissa Morawski

This eighth article in a series on Canadian beverage-container recovery programs explores Prince Edward Island's unique refillable container policy and recovery system. As with most North American jurisdictions, non-refillable soft drink and beer containers became available in P.E.I. in the early 1970s. Marketed as part of the "new lifestyle," disposable bottles and can sales soon constituted over 40 per cent of the province's beverage container market. Concurrently, litter surveys indicated that without the historic incentive for consumers to return containers (e.g., deposits) the amount of litter on roads and beaches had increased dramatically.

In response to this new environmental problem, the provincial government banned the sale of beer in non-refillable containers in 1973 and the sale of all non-refillable soft drink containers by 1977. Shortly thereafter, deposit-return legislation was placed on beer and was extended to soft drink containers in 1984 (and to wine, spirit and cooler containers in 1992).

Today P.E.I. maintains the highest beverage container recovery rate in Canada — 98 per cent for soft drinks, 95 per cent for beer and 60 per cent for liquor containers.

Soft drinks

Similar to British Columbia's expanded deposit-return program (see *August/September edition, page 8*) in P.E.I. the bottler, distributor or wholesaler is responsible for the operation of the deposit-return program. In the case of soft drinks, Seamans Beverages and Coca-Cola are the distributors responsible for the successful recovery of nearly 17

million refillable containers (market share: 12.7-million containers for Seamans and 4.3-million for Coca-Cola). Consumers return 60 per cent of their soft drink containers to retail with the remaining 40 per cent returned to more than 15 province-wide depots. Soft-drink producers pick-up refillable bottles from retail outlets and depots and ship them back to their plants for washing and refill. On average, refillable soft drink bottles are reused 17 times.

Return centres (retail and depots) may keep a minimum portion of the deposit to help offset handling and storage costs. Deposits on soft drinks are 20 cents on containers under 500 ml, 40 cents on containers greater than 500 ml, and 80 cents on containers over 1.5 litres. The minimum allowable refunds are 17, 35 and 70 cents respectively. Most retailers, however, refund the full deposit. Soft-drink producers retain the unredeemed deposits.

Beer

Beer bottles are returned to depots where they are consolidated and shipped back to the brewers for wash and refill. Consumers receive a refund of \$1 per dozen bottles or 7 cents per unit if returned loose. Brewers pay depot operators the full deposit plus a 2-cent per container handling fee and the cost of freight. Brewers retain the unredeemed portion of the deposit, which is approximately \$100,000 a year (based on estimated sales of 24 million beer bottles and a 95 per cent return rate).

Wine, spirits and coolers

The P.E.I. Liquor Control Commission (P.E.I.LCC) distributes all alcoholic products through a network of 18 retail outlets. The P.E.I.LCC accepts empty wine and cooler bottles at retail outlets, while depots also accept the containers plus the empty spirit bottles. Consumers that return containers receive half the deposit back; 5 cents for bottles under 500 ml with a 10-cent deposit and 10 cents for bottles over 500 ml with a 20-cent deposit. The P.E.I.LCC uses the halfback to pay depot operators a 2-cent handling fee and to offset its own system costs. Any remaining profits from the halfback and unredeemed deposits go into provincial general revenues. (A financial analysis of the three beverage recovery systems in operation is unavailable for review due to proprietary issues.)

"New Age" beverages

While beer, soft drink and alcohol containers maintain efficient unsubsidized recovery mechanisms, nearly 9 million other containers for water, juice and "New Age" beverages currently end up in landfill. However, in an effort to achieve Canada's national diversion target of 50 per cent by 2000, the P.E.I. government is expanding its Waste Watch program, which currently serves 25 per cent of residents.

Waste Watch is a four-stream curbside collection system (containers, fibre, organics and waste) similar to Nova Scotia's non-beverage container recycling program. (See the *August/September 1998 edition, page 14.*) The program will be entirely funded by taxpayers and will serve all residents by the spring of 2001.

In 1997, a study was undertaken by Corporate Research Associates, a polling company based in Halifax, that found that 78 per cent of P.E.I. residents approve of the refillable policy. In spite of this support, some beverage companies have pressed hard to have the refillable regulation repealed.

For example, in February 1999 Coca Cola Beverages Ltd. presented P.E.I.'s minister of technology and environment with a summary of key findings from a University of P.E.I. study that it sponsored, *Business Case for the Introduction of Recyclable Soft Drink Containers on P.E.I.* The study advocates the elimination of P.E.I.'s refillable policy, suggesting that the "Waste Watch" program will serve as an effective alternate recovery mechanism for new non-refillable containers sold.

While P.E.I. industry and government acknowledge that the diversion of water, juice and "New Age" beverage containers through the program is preferable to the *status quo*, they also suggest that in time it's inevitable that deposits will be placed on these containers, too. Steve Loggie, president of Seamans says, "Such a move is consistent with the other Atlantic province beverage container policies and will result in a much higher overall beverage container recovery rate." 

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