

Journal

ENCORP
ATLANTIC INC

3,000,000,000

SINCE 1992, ENCORP ATLANTIC HAS RECYCLED 3 BILLION CONTAINERS IN NEW BRUNSWICK!

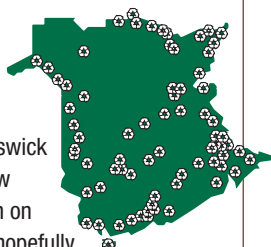
FALL

► ACCURACY QUALITY CONTROL + 0.026%

As of August 31st, quality control with redemption centres has resulted in an overall continued accuracy rate of .026%.

There are currently 9 redemption centres in the accelerated mode. Our sampling model for quality control also includes assessments of out-of-province containers and volume fluctuations (comparative analyses) to detect irregularities. The return rate as of August 31st was 69.4%.

► VISITING REDEMPTION CENTRES



Most centres in New Brunswick were visited in the past few months. Only a few remain on our to-do-list and we will hopefully be knocking on your door before too long. We did notice that centres are disgruntled about the public lack of recycling etiquette. Please use caution when approaching a customer on this matter. Recycling is a dirty business!

TURNING IN CIRCLES OR MOVING AHEAD!

With the election of a new government in New Brunswick, it is still not clear if or when the Department of Environment and Local Government is intent on presenting their comments and timeline on the report published in December 2013: "Strengthening the New Brunswick Beverage Containers Program".

Encorp has clearly stated in the past that the New Brunswick Program is at the crossroads with a need for improved standards and greater cooperation amongst stakeholders. If the Program is to meet the constantly evolving needs of the busy consumer and increasing program costs, changes to the Beverage Containers Program will be necessary.

The very definition of a beverage container in the New Brunswick program, efficiency of collection, public health and safety, and customer convenience are all priority items that need immediate attention.

Modernizing the program remains a priority of Encorp Atlantic, its shareholders and distributors. We call on all stakeholders to work collaboratively and expediently on improving our aging program.

Encorp is driven by a need for greater customer convenience as a means to increase redemption rates in New Brunswick and passionate about accuracy and full traceability of post-consumer containers in our system.



► TO ALL LICENCED REDEMPTION CENTRES: NON-DEPOSIT CONTAINERS FROM OTHER PROVINCES

Be advised that the Department of Environment and Local Government is fully aware that non-deposit bearing containers are coming to New Brunswick.

Deposits have not been paid into the New Brunswick Beverage Containers Program for these containers and by accepting these containers you are contributing to a financial loss to the Program.

Redemption Centres accepting these containers clearly constitute a violation of the Beverage Containers Act and may also be considered in violation of the Criminal Code of Canada.

As licenced Redemption Centres, you are obligated to ensure that used beverage containers brought to you for redemption are New Brunswick deposit bearing containers. Subsection 7(3) General

Regulation-Beverage Containers Act states:

"The holder of a licence and the operator of a redemption centre shall ensure that no refund is paid at the centre for an empty beverage container on which no deposit was paid in New Brunswick".

- Department of Environment and
Local Government

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RE-CENTRE UPDATE

As of October 1st, the re-centre project has reached 2,300 households, and so far, comments from users of the express drop-off service have been positive. In fact, media attention to Encorp's research project has been overwhelming and already, valuable lessons and data have been gathered. We are currently in the start-up stage with a focus on debugging the various components being tested. In the meantime, research staff are finalizing the reporting dashboard to be used during the test period. The reporting of crucial indicators will be shared with all stakeholders in the hope of identifying new techniques in container redemption practices.



RFP – CONTRACT NEGOTIATIONS 2015-2018

The review process has now begun for service provider contracts 2015-2018 (collection, processing and material markets). The contracts, which are scheduled to start in April 2015, are for a 3-year period (with a 2-year renewable option). We are hopeful that this current round of negotiations with service providers will bring about some streamlined efficiencies to our program.



OUT OF PROVINCE CONTAINERS - NOTICE

Encorp Atlantic has confiscated a full load of out-of-province containers from a redemption centre in Northern New Brunswick in September. Our month-long investigation has revealed that nearly 700,000 containers were imported from Quebec from this centre from May to August. Encorp staff has collaborated with the Environment and Local Government Department officials on this matter and further regulatory actions are forthcoming on this serious offence.



In the event that a redemption centre is suspected of accepting out-of-province and fraudulent containers, Encorp will investigate and report to NB Environment and Local Government authorities and deduct handling fees and consumer refund accordingly.



MARKETS

Sales of deposit bearing beverage containers in New Brunswick remain flat with no significant increase compared to last year. Nevertheless, aluminum prices rose this summer to a 17-month high on improved market conditions. Overall material markets over the past quarter for PET are lower than forecasted.

OVERVIEW OF MARKET PRICES US \$/LB FOR BALED MATERIAL:

	Aluminum	PET	Exchange
September 30, 2011	\$ 0.79	\$ 0.33	\$ 1.007
September 30, 2012	\$ 0.74	\$ 0.19	\$ 0.95
September 30, 2013	\$ 0.64	\$ 0.17	\$ 1.01
As of September 30, 2014	\$ 0.74	\$ 0.1725	\$ 1.08

MARKET SNAP-SHOT / 3 YEAR PERIOD IN US\$/LB

	Aluminum	PET
High ▲	\$ 0.83 August 2014	\$ 0.325 September 2011
Low ▼	\$ 0.62 December 2013	\$ 0.165 December 2013

* These figures are based on monthly averages