

Journal



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

SPRING

INCIDENT REPORT FORMS

A reminder that in an ongoing effort to improve the level of service provided by Encorp Atlantic and our service providers, we want to document any incidents in the most concise manner so that we can resolve recurring issues or problems in an expedient and fair fashion. All centres and drivers have been supplied with specifically designed Incident Report Forms. Report Forms are also available at www.encorpatl.ca.

DAMAGED BAGS NEED TO GO!

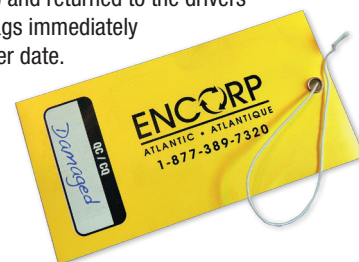
It is Encorp policy to remove any damaged bag from our total inventory (11,000). Given that our service provider manages over 1,000 bags per shift, it can happen that bags may be missed. Remember to tag these bags when you see them.

All damaged bags must be reported on the designated tags (QC box) and returned to the drivers regardless of the extent of the damage. Drivers will replace those bags immediately upon reception. Collected bags will be individually inspected at a later date.

We have reviewed this policy with the Hebert staff and we will strive to ensure that all questionable bags be culled from the system.

Hopefully everyone will work together by following this policy and these damaged bags will be sorted out before the busy season.

We currently have a reserve of over 3,000 new bags, so there is no reason for Encorp bulk-bags to be of questionable quality.



ONE YEAR EXTENSION - SERVICE PROVIDER AGREEMENTS

Encorp Atlantic has agreed to a 1-year extension to its collection and processing agreements with Hebert Recycling based in Miramichi. The contract is now extended to March 31st 2015. A request for proposal (RFP) for processing and materials market will be issued by invitation later this year. This review process is deemed necessary to ensure that Encorp remains competitive in these challenging times. The next contracts will likely be for a 5-year period and include collection, processing and materials market (combined services or separate).

LAUNCH OF PILOT-PROJECT (>3M/CONTAINERS/YEAR)

The >3M pilot-project is currently undergoing final testing in order to start operations in June 2014. The research project consists of conducting a series of initiatives and experiments over a 36-month period. Encorp Atlantic will measure system improvements and overall efficiencies in redemption centre systems (>1.5M, >3M, <5M), as well as standards and viability for redemption centre owners. Here is a brief summary of what **(re)** hopes to accomplish with our pilot-project:



WHY NOW?

- The **(re)** pilot-project model was born from ongoing assessment of redemption centres across the province and research on best practices and new technology being used and tested around the world.
- We feel that it is time to modernize recycling in New Brunswick. The only way to improve public participation in recycling is to make it more convenient for the ever-so-busy consumer and easier for redemption centre operators.

WHY MONCTON?

- A perfect scenario for the beverage product distributors to partner with stakeholders was offered when the Savage family, who operated a redemption centre for deposit-bearing beverage containers in Moncton's East end for 65 years decided to retire their business in 2013.
- Encorp Atlantic acquired the license for the Savage Redemption Centre in order to operate the pilot-project's re-centre units.

QUALITY CONTROL

Over the past year, the count adjustment method with redemption centers has resulted in continued accuracy. For the full 12-month period, reported accuracy was 0.56 %, which is close to perfect. Total cost of QC for the period (2013-2014) was \$68,000, while \$8,376 was recovered by adjustments. We currently have 6 centres that are in the accelerated mode.

0.56%

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HOW DOES IT WORK?

- The goal of **(re)** is to make recycling quick and easy. A visit to a re-centre takes less than one minute.
- Consumers register online at www.re-centre.ca and get a **(re)** card linked to their account.
- Consumers can drop-off (7 days a week) their empty beverage containers at their convenience at an unmanned self-serve re-centre unit and receive their deposit-bearing beverage container refund via an online payment system.
- We collect and sort the containers daily, confirming accurate container counts and crediting consumers' accounts with the appropriate refunds.

WHAT ABOUT BEER BOTTLES AND CASES?

- We recommend that consumers keep empty beer bottles in their original cardboard cases. The cases can then be put directly into the **(re)** bag.
- Consumers can put individual beer bottles and cans in their **(re)** bag along with all their other empty beverage containers.

WHY ARE WE USING PLASTIC BAGS?

- The special **(re)** home bags are designed to help consumers collect and bring their empty beverage containers to the re-centres.
- The bags are 100% recycled and provided free to participating households.
- Used **(re)** bags that have been filled and dropped off at the re-centres are collected, melted down, and made into new bags that are distributed back to consumers.
- No **(re)** bags will end up in a landfill.

WHAT ARE WE TESTING?

We are enrolling 2,500 households as participants in the pilot-project for a 36-month test period. With this demographic, we will be able to focus on research and testing for the following:

- Evaluate public response to the drop-off concept;
- Assess value of using a standardized bag (average containers per bag);
- Review payment methods options and customer tolerance to online payment instead of cash in hand (PayPal, electronic funds transfer & other);
- Cost and final design of mobile drop-off re-centre units (>3M/containers/year);
- Cost of managing containers (UBC);
- Measure percentage of all container types in New Brunswick;

- Technology options as customer interface (go forward strategy);
- Assess alternative energy technologies for collection facilities;
- Measure consumer patterns (time of day, day of week, number of bags per visit).

WHAT IS THE ENVIRONMENTAL IMPACT?

- The **(re)** model has been designed to have the smallest possible ecological footprint.
- The mobile drop-off re-centre units are completely off-the-grid thanks to the use of solar power.
- The mobile re-centre units are made out of reused shipping containers.
- The special **(re)** home bags used by consumers to collect their empty beverage containers are 100% recyclable. Used **(re)** bags that have been filled and dropped off at the re-centres are collected, melted down and made into new bags that are distributed back to consumers. No **(re)** bags will end up in a landfill.

WILL THIS AFFECT TRADITIONAL REDEMPTION CENTRES?

- There are currently more than 70 operational redemption centres in New Brunswick.
- With our two pilot re-centres in Moncton, we are testing procedures and systems that hope to improve overall efficiency for the Beverage Container Recycling Program, as well as safety, convenience and good business for our redemption centre network.
- The re-centre model is designed as an eco-friendly mobile unit; its successful components could be added or integrated to existing centres.
- For current redemption centre operators, implementing proven components of this pilot-project should help decrease operating costs and increase efficiencies through improved public participation in recycling.

▶ MARKETS

The PET market finally stabilized in the high teens by the end of March 2014.

The aluminum market continued its decline, with prices in the mid-sixties for most of this last fiscal year.

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

	Aluminum	PET	Exchange
March 2012	\$0.77	\$0.295	\$0.97
March 2013	\$0.68	\$0.215	\$1.00
As of March 31 st 2014	\$0.67	\$0.19	\$1.09

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

	Aluminium	PET
High ▼	\$0.94 May 2011	\$0.37 April 2011
Low ▲	\$0.62 December 2013	\$0.165 December 2013

* These figures are based on monthly averages

YEAR TO YEAR-REFUNDED UNITS:

	Aluminium	Verre	PET	Autre	Total
Apr 12 - March 2013	65,495 552	2,124,714	73,667,287	15,264,324	156,551,877
Apr 13 - March 2014	63,045 981	2,004,572	74,654,522	14,495,205	154,200,280
Yr to Yr Qty	-2,449,571	-120,142	987,235	-769,119	-2,351,597
Yr to Yr %	3.74%	-5.65%	1.34%	-5.04%	-1.50%