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DATE: February 28, 2023

TO: Depot Network

RE: **Increase in Handling Commissions - May 1, 2023**

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At its February 22, 2023, meeting, the BCMB's Board of Directors approved a 28% increase to the average handling commission based on calculations in the 2022 Annual Update Report (AUR). The new handling commissions are effective May 1, 2023 and will be in place for a one-year period. The new handling commissions can be found on pages 5-6 in the [Handling Commission By-law](#) on the BCMB website.

As required in the [Handling Commission By-law](#), handling commissions are reviewed annually through a process described within the By-law. The 2022 Handling Commission AUR was provided to the BCMB by the Data Collection Agent in November 2022 and all Designated Registered Participants (DRPs, previously known as Interested Parties<sup>1</sup>) were given until December 15, 2022, to decide whether to extend the AUR process another year or to trigger a Handling Commission Review process. The DRPs unanimously agreed to extend the AUR process another year and as a result the rates in the 2022 AUR were approved by the BCMB Board.

Section 13.7 of the Handling Commission By-law indicates that should the average handling commission currently in effect differ in an amount more than +/- 0.3%, the handling commissions are to be adjusted, for a one-year period, according to the AUR calculations.

**BACKGROUND:**

Handling commissions were last updated in May 2020 as a result of the 2019 AUR. According to the calculations in the 2019 AUR, there would have been a 6% decrease to the average handling commission, however the Designated Registered Participants negotiated a COVID subsidy agreement which softened the 6% decrease to the average handling commission by 3% and held those rates consistent for a two-year period. If that agreement had not been in place, there would have been an increase of approximately 13% to the average handling commission applied as of May 1, 2022. As the two-year period is now complete, the above mentioned 28% increase will be applied.

If you have any questions, please contact Alyson Baxter, Manager of Analytics at [abaxter@bcmb.ab.ca](mailto:abaxter@bcmb.ab.ca).

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<sup>1</sup> Designated Registered Participants (DRPs) were previously referred to as Interested Parties (IPs). This group consists of the Alberta Bottle Depot Association (ABDA), the Alberta Beverage Container Recycling Corporation (ABCRC), the Alberta Beer Container Corporation (ABCC).