

# BRINGING THE BOTTLES BACK HOME PART 1

OREGON'S BEVERAGE CONTAINER DEPOSIT PROGRAM ISN'T JUST A RUN-OF-THE-MILL SUCCESSFUL BOTTLE BILL SYSTEM – IT'S A GAME-CHANGING EXTENDED PRODUCER RESPONSIBILITY PROGRAM THAT HAS GROCERS, BEVERAGE DISTRIBUTERS AND ENVIRONMENTALISTS ALL ON BOARD. IN THE FIRST PART OF THIS ARTICLE, WE LOOK AT WHAT'S COLLECTED AND HOW ITS HANDLED BY A UNIQUE CO-OP AND A BRAND-NEW RECYCLING FACILITY THAT COULDN'T HAVE BEEN BUILT WITHOUT IT.

BY JAKE THOMAS

**A**t the ORPET plastic bottle recycling facility, just outside of St. Helens, Oregon, the air is flavored with the acrid and distinct odor of spilled sugary soda that's been left out and gone stale. The odor is also mingled with another chemical scent. Bruce Sone knows that aroma well, and he knows what to call it.

"That's the smell of money," says Sone, ORPET's sales director, while giving a tour of the 45,000-square-foot facility. Modeled after a similar plant in Vienna that Sone toured several times, the \$12 million plant, located about 25 miles outside of Portland, has state-of-the-art German recycling equipment. The facility employs 25 people and can process 30 million pounds of PET a year.

## From bottle bill to bales

ORPET may seem like any another slick PET recycling operation, but this one is special.

Unlike other PET processing operations that struggle to find feedstock shortly after starting up, ORPET has its material supply locked in for the next decade, thanks to an expansion of the state's bottle bill to include plastic water bottles, which are collected by a unique company.

To make the project a reality, ORPET partnered with the Oregon Beverage Recycling Cooperative (OBRC), a private, for-profit co-op of beverage companies that brings a unique approach to the Beaver State's container deposit system by managing the bottle bill responsibilities for beverage companies operating in Oregon.

"I think it's a unique operation," says Sone. "I don't know of anything like it."

ORPET gets about 17 million pounds annually from the OBRC, which are delivered to the facility in crushed bales that weigh between 600 and 1,200 pounds and are stacked on the concrete floor. The bales are broken up, and the bottles, including caps and labels, are fed into the B+B Anlagenbau GmbH-designed processing line. The material goes through multiple S+S Inspection-made sorters to remove metal and fines before being sent to the grinder. After being ground, the flake goes through a hot wash and a sink-float to separate the PET from the bottles from polypropylene and other material from the caps and labels. Clean PET flake produced at the plant is tested for quality and sold to companies that use it for a variety of purposes, including packaging, strapping and other applications. Though the firm is not going bottle-to-bottle yet, Sone said that ORPET is looking into eventually getting an

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PET containers are baled at ORBC and ready for shipment to ORPET.

extruder so that it can produce food-grade recycled PET.

## Building on the bottle bill

“You couldn’t have picked a worse time to start this,” says Sone. Three years ago, Sone was approached about creating a new plastics recycling facility by industry veteran Dennis Denton, of Denton Plastics in Portland. At the time, the recession was in full swing and signs of recovery had yet to emerge, but having a steady supply of feedstock secured by the expansion of the state’s bottle bill helped make the project a reality.

Very few updates were made to Oregon’s bottle bill until 2007, when legislators finally expanded it to include containers for water and flavored water, which had become much more commonly used since the original deposit system was implemented. The provision went into effect in 2009 and, by some estimates, the containers make up to a quarter of all deposit container sales.

Some lawmakers had wanted a more ambitious expansion that would increase the deposit from a nickel to a dime and encompass more containers, but it was strongly opposed by grocers.

“As long as it comes to the stores, we’re going to oppose expansion. We’re maxed out on sanitation,” said Joe Gilliam, president of the Northwest Grocery Association, told the *Associated Press* in 2007. Gilliam would change his tune when the next

update to the bottle bill was passed in 2010 – which began moving the redemption tasks away from grocery stores (more on that in part two of the article).

## Cooperating on bottles and cans

“Prior to [adding water bottles to the redemption program] there just wasn’t the volume to make something like this work,” says John Andersen, president of the Oregon Beverage Recycling Cooperative (OBRC) at the co-op’s 60,000-square-foot facility in Northwest Portland over the sound of aluminum can sorting machine that pops like a popcorn popper.

In 2009, two companies providing bottle bill services to beverage distributors and grocery retailers, Container Recovery, Inc. and Beverage Recyclers of Oregon, merged to form the Oregon Beverage Recycling Cooperative. Since then, the OBRC has played a large role in how the bottle bill works in Oregon, assuming the container redemption responsibilities of 80 beverage distributors – all but a tiny minority – operating in the state.

In the nine other states with container deposit laws, roughly speaking, beverage companies are largely responsible for collecting and returning deposits on their containers to and from consumers, which has been a hassle for these firms. The OBRC handles all of these responsibilities for nearly every beverage company operating in the state, freeing up the proverbial hands for these businesses. The co-op, which employs 200 people, picks up the bottles and cans collected at 3,000 retailers across the state, sorts them and sells them for processing. It also handles the deposits.

Key to this arrangement, according to Andersen, is that the co-op keeps any unredeemed deposits, giving to co-op two revenue streams – those nickels not redeemed by consumers and the sums from the sales of the materials to ORPET and other materials buyers. Whatever profits the co-op generates are divided among the 80 beverage distributors that own the OBRC. Advocates of extended producer responsibility would note that the co-op is the perfect example of brand owners taking responsibility for end-of-life materials. Because in Oregon, Budweiser distributors and Coke bottlers have full control of the recovery and recycling of the products those companies sell.

According to Andersen, about 400 of

the retailers it services are large stores with reverse-vending machines, which are placed by the co-op. The rest of the locations offer traditional cross-the-counter take-back for the containers.

For more remote areas of the state, the co-op seeks to maximize existing infrastructure. For example, the OBRC works with distributors operating in remote counties to pick up bottles and cans, rather than have one of its drivers make the trek across the state for just a few bags, says Andersen.

“One of the advantages to the industry coming together and forming this co-op, compared to other states where you’ve got all these different independent businesses involved in different pieces of the bottle bill and handling it, we can really structure things from cradle-to-grave as efficiently as possible,” says Andersen.

Another advantage is that companies are more responsible for the recycling of their material than in other container deposit states. Andersen recalls one company, whom he wouldn’t name, that wanted to introduce polylactic acid (PLA)-based bottles into the market in Oregon and join the co-op. Other members, expressed concern about the recyclability of the material (PLA is considered a contaminant in the PET recycling process) and the co-op required the unnamed company to pay to have it removed. The company decided not to introduce the PLA bottles in Oregon, but did so in another bottle bill state, according to Andersen.

In order to guard against fraud, a perennial and serious issue with container deposits in other states, companies that join the co-op agree to random audits to make sure that they’re playing fair.

“Creating a cooperative of all beverage brand owners has allowed them to consolidate and streamline the entire operation to the benefit of all stakeholders,” said Susan Collins, the executive director of the Container Recycling Institute, in an email to *Resource Recycling*. “I’ve heard that beverage brand owners in some other states have looked at the Oregon system, but its baffling to me that they haven’t moved more quickly to modernize their systems. In some states, I think the local beverage distributors are simply uninformed about potential system improvements.

“This agreement with ORPET is a win for the beverage brand owners, and a win for PET reclaimers, giving both parties stability in an arena that is typically fraught with volatility,” she said, noting that the

demand for rPET typically outstrips supply.

The partnership between OBRC and ORPET – OBRC owns part of the plant along with plastics industry veterans Thomas Leaptrout and Dennis Denton – was key to getting the plant built. “People build plants and then go, ‘whoops,’” says Sone, noting how many plants have trouble securing material. “They can’t feed the beast.” With the partnership in place, OBRC collects the containers and sells exclusively to ORPET. How many PET processors would like to have a stream of bottles as clean as those coming from the bottle bill? “It’s great material,” says ORPET’s Sone, noting that it is much cleaner than what comes from curbside collection.

## Jobs from bottles

The processing plant is sited on the Columbia River just outside the town of St. Helens, Oregon (population of 10,019), which has a per capita income of just over \$17,000 a year. In a state that has an unemployment rate of 8.5 percent, the rural area was glad to have the jobs that the facility created. It is not an exaggeration to say that the facility would not be there if not for the expansion of the bottle bill to include water bottles.

“We started discussing bringing a facility here to Oregon to process the bottles,” said Denton at the facility’s opening in



*Bales of PET containers waiting to be processed at ORPET.*

May 2012 to the local *St. Helens Chronicle*. “When the bottle bill started accepting water bottles, it made it easier and it brought the numbers together where we knew it would be possible to do this. We did it to create jobs and [produce] a valuable raw material ... it also provides other opportunities that will start coming this way in additional manufacturing.” **RR**

Part two of this article will go into details

about the next level of Oregon’s bottle bill expansion – including the new non-grocery, OBRC-built-and-operated BottleDrop redemption centers – and will be published in the next *Resource Recycling* magazine.

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