

## BRINGING THE BOTTLES BACK HOME PART II

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 SECOND PART OF THIS ARTICLE, WE LOOK AT HOW CONTAINER COLLECTION IS BEING MOVED AWAY FROM GROCERY STORES TO CENTRALIZED, STATE-OF-THE-ART DROP-OFF SITES.

BY JAKE THOMAS AND DYLAN DE THOMAS

“This is the vision of our future,” says Alisa Shifflett, redemption center project manager for the Oregon Beverage Recycling Cooperative. “Providing convenient service to consumers returning beverage containers.” The vision Shifflett is talking about is the OBRC’s Bottle-Drop, its beverage container redemption centers, the newest of which is located in south Salem, Oregon.

The pristine 7,000-square-foot storefront contains nine TOMRA reverse vending machines and is staffed with helpful workers who can assist users with the machines or the pay stations, or even to manually count their containers. “We feel we’re a retail establishment,” says Shifflett, and it shows. It looks like what it is — a store dedicated to redeeming used beverage containers from

customers at a nickel a pop.

So, how did this all come together? It can, of course, be a considerable challenge to get all the involved stakeholders on board for a legislated beverage container redemption program. Let alone one where grocers are working with beverage distributors and recycling advocates. And it didn’t start out that way.

### Battles over bottle bills

Pretty much every other state with a bottle bill has seen some sort of tussle over modifying, updating or repealing their version of the recycling collection mechanism that was first pioneered in the U.S., in Oregon, in 1971. Environmental groups and some recycling advocates often want to see bottle bills expanded to cover more containers that have become common since the laws were first enacted. And grocers and beverage makers typically resist any attempt to expand bottle bills, arguing that they’re a burden to their businesses and outdated. Some lawmakers and industry representatives have proposed repealing them outright and replacing them with a measure aimed at boosting curbside recycling, similar to what Delaware did in 2010.

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While most of these conflicts have resulted in stalemates, Oregon saw its bottle bill expanded by lawmakers in 2011 to gradually encompass just about every beverage container by 2018 – save for wine, liquor, milk and milk substitutes. The expansion occurred, in part, because OBRC – a private, for-profit entity that administers the bottle bill responsibilities for beverage companies operating in the state, who also collectively own the co-op – helped assuage the conflicting interests that have stymied efforts to enlarge bottle bills in other states.

Before the co-op, beverage distributors were each responsible for their own brand of containers – every cowboy was on his own. Coke distributors picked up Coke containers; Pepsi distributors picked up Pepsi containers. It was a hassle for both distributors and grocers – who had to do the sorting on-site – alike.

## Unredeemed deposits in the driver's seat

Some of the other states with bottle bills, such as Connecticut and Massachusetts, direct unredeemed deposits toward government coffers. Others, such as Oregon, have a different approach that John Andersen, president of the OBRC, says is more sustaining. Andersen notes that the co-op keeps any unredeemed deposits, which he says is key to making the arrangement work. According to Andersen,

## Sidebar 1 – From bottle bills to jobs

As was noted in part one of this article (<http://tinyurl.com/OBRCPart1>), part of what makes Oregon's bottle bill such a notable program is the infrastructure that was built to take advantage of some of the clean stream of recyclable material that comes from the redemption program.

According to OBRC President John Andersen, the bulk of the collected containers goes to manufacturers in the Midwest – but not the PET. In 2009, the bottle bill was expanded to cover water bottles, and the material collected by the OBRC now goes to ORPET, a plastics recycling facility which the co-op is partner to.

The \$12 million, 45,000-square-foot state-of-the-art facility opened in May 2012 and is expected to consumer approximately 17 million pounds of PET in 2012 from the redemption program. The facility has an exclusive agreement with the OBRC to receive material from the co-op for the next decade.

ORPET was built and is operated as a partnership between the OBRC and plastics industry veterans Thomas Leaptrott and Dennis Denton. The facility employs 25 people and can process 30 million pounds of PET annually.

the unredeemed deposits are worth \$20 million and the co-op spends \$22 million annually providing services to its members. The amount the co-op brings in from materials sales is, of course, variable.

“Here's the down-and-dirty scoop on Oregon's bottle bill: unredeemed deposits being used to fund the system are key to keeping distributors interested in supporting it,” says Andersen. “Where you don't have that, where it's gone, like in New York or California, you lose that distributor interest.”

In fact, most of the bottle bill expansions, such as New York's “Bigger Better Bottle Bill,” or Connecticut's 2009 update to include water bottles, redemption program opponents have been able to label these measures as money-grabs by cash-strapped state legislatures, as most or all of the unredeemed deposits in those states go to the general coffers, not to reclaimers or beverage distributors.

## Bottles to BottleDrops

A key component that made the expansion legislation possible was that it contained a provision aimed at easing the burden on grocers, who would be responsible for collecting the new containers. The legislation directed the OBRC to set up independent collection centers, and larger stores in their vicinity would be able to opt out of redeeming bottles and cans (see Sidebar 2). This provision paved the way for the sleek BottleDrop redemption centers.

“The new law lays out a business plan

to expand the bottle bill coupled with a long-term plan to build the appropriate capacity to handle the increase in volume,” said Northwest Grocery Association President Joe Gilliam in a prepared statement shortly after the bill was signed into law. “It takes into consideration consumer convenience and the back-room mechanics to keep the bottle bill intact through the approval of a new redemption center model.”

Bruce Hanna, the Republican co-speaker of the evenly-divided Oregon House of Representatives, grew up in the beverage in-

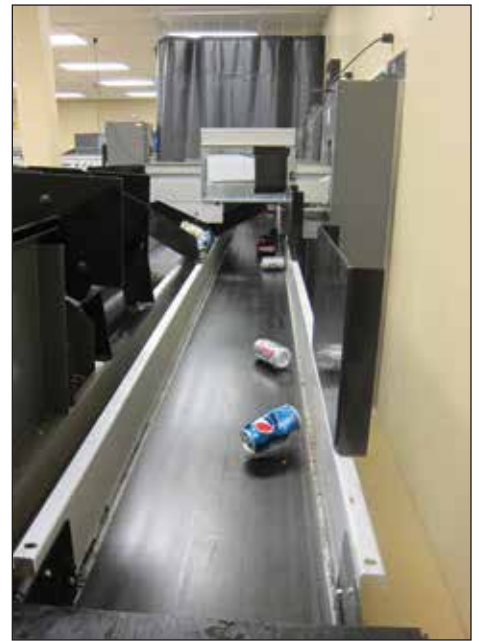
## Sidebar 2 – Building a BottleDrop

The three BottleDrops – the flagship center in Salem, Oregon, and two 4,000-square-foot facilities in Oregon City and Wood Village – are meant to create a convenience for consumers redeeming beverage containers, while removing the container redemption burden from participating retail establishments.

Retail stores within a 1.5-mile radius of a BottleDrop will no longer have to accept redeemable containers. From a 1.5- to 3-mile radius of the BottleDrop, retailers will still have to accept containers, but only 24 per person, per day. Smaller businesses, such as gas stations and convenience stores, within both zones will also still be required to accept up to 24 containers, per person, per day.



Photos of the ORBC's BottleDrop redemption center in Salem, Oregon. A full slideshow, showing containers from bag to bale can be seen at <http://tinyurl.com/BottleDropTour>.





dustry and currently owns a Coca-Cola bottling company in Roseburg. Hanna called the OBRC “seamless” and spoke highly of how it operates with no tax dollars. He added that the OBRC’s redemption centers were key to securing the expansion to the bottle bill because it took the burden off of retailers.

“When you talk about the Oregon bottle bill, you have to remember that you have a multitude of generations in Oregon who don’t know anything different,” says Hanna. “The bottle bill, to many, is just the way it is.”

The centers could play an even larger role in how the bottle bill works, while also keeping redemption rates high. Returning beverage containers at large grocery stores has, for many, become an unpleasant chore with consumers having to deal with sticky floors and broken machines at supermarkets, says Andersen. Without a better way for consumers to return their bottles and cans, he says, the redemption rate could sink.

“The convenience and the environment have just been declining to the point where it really is just a negative experience,” he says.

A report from a task force appointed by the governor to look into the expansion [Full disclosure: the task force included the executive editor of this publication] came to a similar conclusion. “[T]he redemption rate is decreasing and the public is becoming increasingly dissatisfied with problems that exist with the current system,” reads the final report from the task force.

## The redemption of redemption centers

In designing the redemption centers, Andersen says that the OBRC tried to avoid replicating those in other states, which he describes as not being “places of innovation and efficiency.”

The BottleDrop facility in Salem certainly appears to be both innovative and



efficient. Consumers can use the centers in one of two ways:

- Return up to 300 containers in the reverse vending machines, or for up to



50 containers, have them hand-counted by a center employee. These two types of users receive vouchers which they can redeem at an automated on-site payment station for cash (up to \$15 per day).

- Take advantage of the EZ Drop Bags, which allows users to – after registering for a BottleDrop card – drop off two bags, which are identified by tags tied to a user’s card number, per day at their local redemption center. After being redeemed, the value of the bags is credited to a user’s account within 48 hours.

So far, the three centers seem to be working, bringing in 6 percent of all covered beverage containers in the state. Materials brought in via the EZ Drop Bags makes up about 15 percent of what’s brought into the Salem center, but Shifflett says that number is growing.

“Our goal is to make the BottleDrop experience a positive one for consumers,” says Shifflett, with a large LCD screen monitor over her shoulder displaying the local time, weather and information about

what the materials being returned can be recycled into. “And different from what people are used to from previous redemption centers.”

## Bottle bills or EPR – or both?

Bottled water company Nestle Waters North America launched a campaign earlier this year to establish extended producer responsibility laws in states that don’t presently have bottle bills, in hopes of raising recycling rates.

“As we see it, this low-cost industry-run co-op model is very close to the way we envision reinventing recycling through extended producer responsibility,” said Michael Washburn, the director of sustainability for NWWA, in an interview with *Resource Recycling*. “And with the Oregon

Beverage Recycling Cooperative having just opened up its third redemption center, Oregon’s grocers are seeing relief from the return-to-retail model that constricts the flow of returned beverage containers.”

But not every beverage company thinks that Oregon’s model makes bottle bills more palatable.

A statement from Coca-Cola, a company that has expressed some openness to EPR, said that, while the beverage maker was supportive of recycling, particularly curbside, it still wasn’t keen on bottle bills. “Forced deposit programs place more comprehensive collection programs at a disadvantage by removing the most valuable materials from the collection streams and inconveniencing consumers who prefer ‘one stop’ recycling for all materials,” reads the statement.

## Sidebar 3 – Equipment at the Salem BottleDrop

All the containers returned – whether through the reverse vending machines or through the EZ Drop Bags – are sorted and compressed by a kind of mini-materials recovery facility that’s housed behind the TOMRA machines. Workers scan the tags on the EZ bags (to credit the account of the person who brought the materials in) and cut the bags open onto a conveyor. From there, the containers are sorted by type and shuttled off two a baler for the aluminum containers, an auger for the PET containers and the glass is broken and collected in a Gaylord for transportation.


- Seven TOMRA T820 reverse vending machines for all three material types (aluminum, glass and PET) of beverage containers
- Two TOMRA CanDo aluminum bulk feed container reverse vending machine
- Aluminum densifier and glass crusher – Compactors, Inc.
- PET compactor – NEXGEN

## A bottle bill blueprint?

Could this system serve as model for other states looking to implement a bottle bill, or improve those already in place? Could a program with the two grand differences from other bottle bills – the beverage distributor co-op and the new away-from-retail redemption centers – work in other states?

“Everything being equal, if I presented what we have in Oregon to an open-minded beverage group, I believe at the end of the day I would be able to convince them that this is a good thing for the industry, and it’s a system of managing their products that works,” says Andersen, who mentions that people from other states have expressed interest in replicating Oregon’s model.

“But you won’t find the corporate offices sitting down and talking about bottle bills in any state because most of the states, and most of the time, bottle bills are proposed they don’t look like Oregon.”

Of course, that doesn’t mean other states can’t adopt this new model for their own bottle bills. Perhaps, down the road, other states wanting to recover a greater percentage of their beverage containers will give it a try. 

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