Oregon’s Bottle Bill: A Cooperative Approach

How the Private Sector Made Redemption and Recycling a Success

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Bottle Bill: A Brief History

A private system run by distributors, founded on retail returns

- **1971**: 5¢ deposit “aspirational and not prescriptive”
- **2009**: OBRC created – privately run
- **2010**: BottleDrop Redemption Center introduced
- **2016**: First Express site opens
- **2017**: Increase to 10¢ deposit
- **2018**: Expansion, huge increase in container volume
- **2020**: Reusable program launches
- **2020**: Retail bag drop program expands
Why are we in Oregon excited for Connecticut?

CT legislation is the first true reform bill to pass

- Shows reform is possible, even when government is keeping unclaimed refunds
- Allows private sector to manage the program, achieve outcomes, and focus on convenience
- Connecticut and Oregon are now two branches from the same trunk of the tree
  - However, CT landscape different than Oregon, so can’t “cut and paste” Oregon model
- Higher redemption rates and better performing systems are better for everyone
The Power of a Dime

10¢ Sparks Huge Demand

Redemption rate went from 64% to over 82%
(now around 90%!)
BottleDrop Redemption Centers

Clean, fast and easy returns

- Single-purpose, indoor facilities
- 25 full-service redemption centers
  - Two currently under development
  - Possible because of return to retail requirement
- Largest center accepts approx. 100 million containers/year
- ZERO taxpayer dollars
High volume self-service

Majority of containers through RVMs and High-Speed Counting

- Centers can have as many as 15 or more RVMs depending on volume
- Customers can redeem up to 350 container/person/day – more than at stores
- Cash dispensers on site allow for immediate refund access
Green Bags
The easy self-serve account program

• Gear up. Customers enroll, get card and tags at kiosk, and buy bags at store

• Tag & fill it. Place coded BottleDrop tag on bags and fill with redeemable containers

• Drop it. Leave bag at secure drop door

• Track it. Check account balance online or with our mobile app
Express/Dealer Redemption Centers

Expanding access throughout the state

- Expanded access to green bag accounts and no fee for bag drops
- 50 locations operating

New locations coming every week

Note: Green bag program is a premium program focused on convenience. Number of customers is high, but it will not handle all the volume.
Container Returns by Location

container Return Locations

Redeemed Containers

- 2010
- 2011
- 2012
- 2013
- 2014
- 2015
- 2016
- 2017
- 2018
- 2019
- 2020
- 2021

10¢ Deposit
Expansion
Pandemic Begins

BottleDrop/Green Bags 2021: 88%
C-Stores 2021: 6%
Large Retailers 2021: 6%
10-cent world is a larger one

Be ready!

• The 10-cent refund creates high demand
  – How will you absorb the demand created by 10 cents?
  – How will you absorb the excess funds given out?

• High volumes create opportunities for everyone, especially in a handling fee environment
  – 10 cents and more beverage types create a surge

• Fraud – both short and long term – will be an issue.
  – Oregon law allows some fraud prevention, but eliminating it is infeasible
  – More incentive to control fraud when private sector keeps unredeemeds
High convenience = high performance

Convenience avoids the “death spiral”

- A well-functioning PRO should allow for any brand to be returned to any store or redemption site, and for fewer sorts when processing
- Premium options, like the green bag, allow for customer segmentation
- A wide range of solutions and sites is optimum, serviced by centralized routing and processing
- Access and convenience achieve increasing performance targets
Principles for a PRO

Coordinating competitors is not easy

• PRO must have unimpeachable trust, fairness, and confidentiality
  – Especially with handling fees, members must have confidence in counts and accuracy
  – All members need to be treated equally without one member subsidizing another
  – Sensitive business information must be protected from both other members and the government

• A PRO must have a clear view of the “battlefield”
  – Registry, bar code data, and more from participants and non-participants to verify costs and reduce fraud
Program viewed more positively knowing that it is privately-run by distributors.

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<thead>
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<th>2016</th>
<th>2019</th>
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<tbody>
<tr>
<td>Positive</td>
<td></td>
<td>71%</td>
</tr>
<tr>
<td>About the same</td>
<td>27%</td>
<td></td>
</tr>
<tr>
<td>Negative</td>
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Thank you.

Learn more at obrc.com and BottleDropCenters.com

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