

Oregon's Bottle Bill: A Cooperative Approach



How the Private Sector Made
Redemption and Recycling a Success

Jules Bailey
Chief Stewardship Officer
Oregon Beverage Recycling Cooperative



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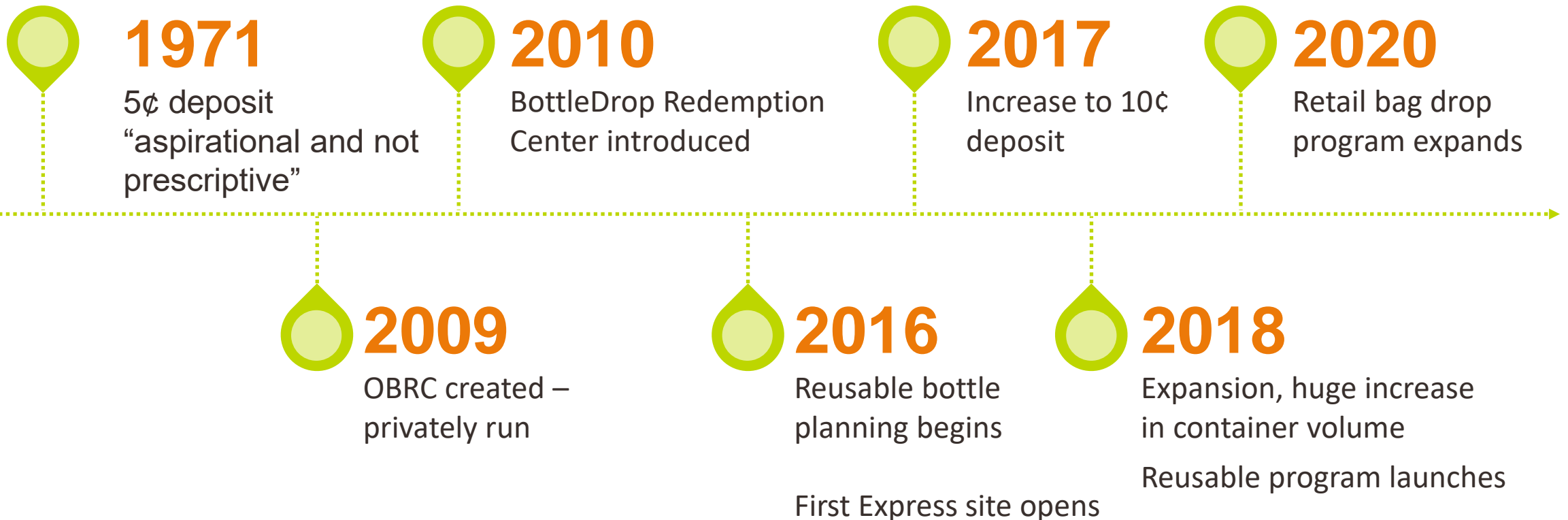
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Bottle Bill: A Brief History



A private system run by distributors, founded on retail returns



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



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The Power of a Dime

10¢ Sparks Huge Demand

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

**~35%
increase**





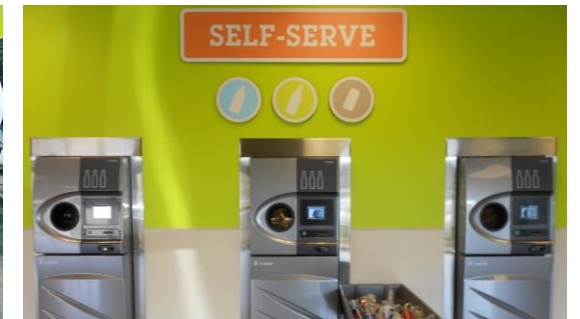
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BottleDrop Redemption Centers

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





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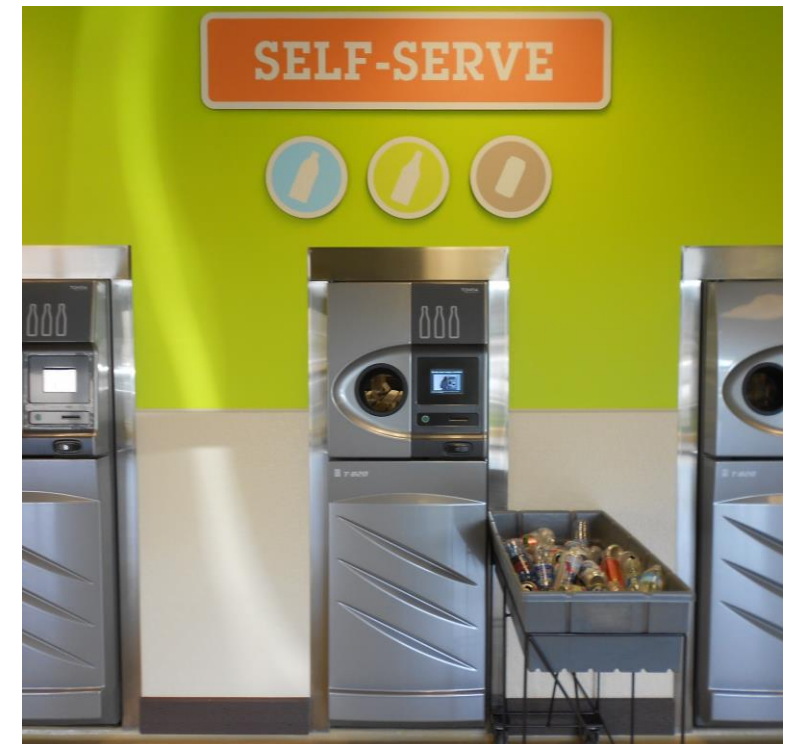


High volume self-service



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





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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





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Express/Dealer Redemption Centers

Expanding access throughout the state

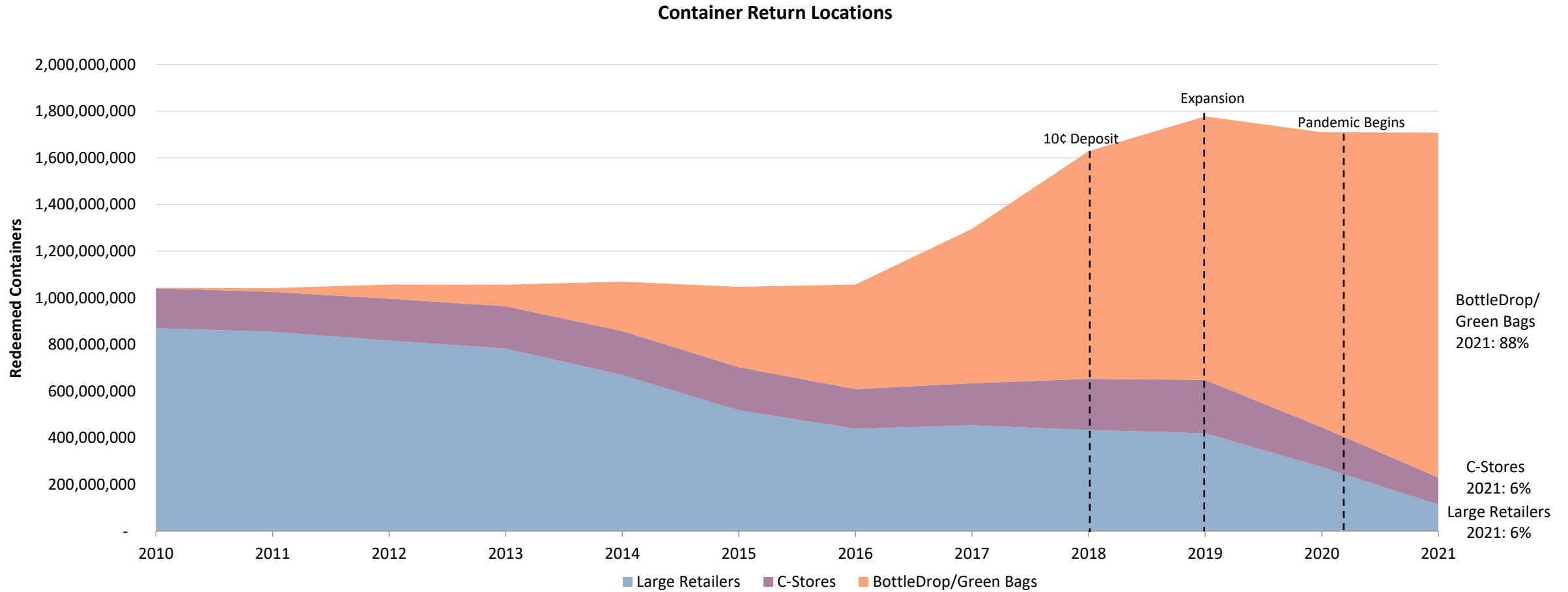
- Expanded access to green bag accounts and no fee for bag drops
- 50 locations operating

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





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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 unredeemed



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



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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

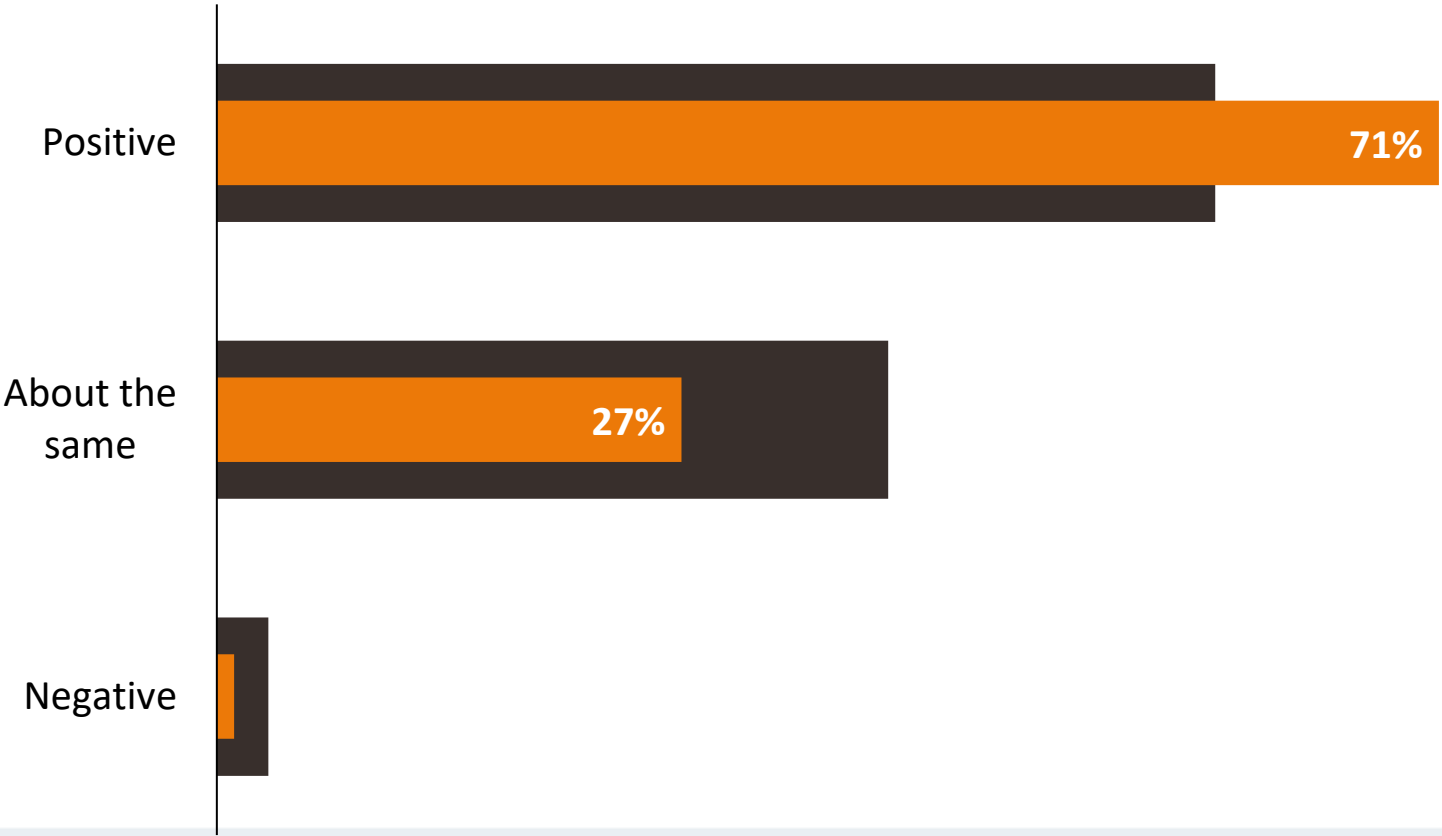
Program viewed more positively knowing that it is privately-run by distributors.



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Thank you.



Learn more at obrc.com and BottleDropCenters.com

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