



09/04/2020

To: Washington State Department of Ecology

From: Jules Bailey, Chief Stewardship Officer and Director of External Relations

Re: Comments on plastic packaging study and Cascadia report

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As a not-for-profit cooperative made up of members from the beverage industry, Oregon Beverage Recycling Cooperative (OBRC) is the industry steward of Oregon's nationally recognized beverage container deposit program. We help keep Oregon beautiful by providing outstanding services to our partner distributors and retailers, and to the public for the recovery, reuse, and recycling of beverage containers. OBRC provides consumer access to fast and convenient container returns through BottleDrop, and container pick-up service to over 2,500 retailers. We recycle millions of beverage containers every day at no cost to taxpayers. We invite you to come see our operations as you look at the future of EPR and a possible DRS in Washington State.

As the first DRS in the United States and the only one that is solely privately run, Oregon's system is an EPR system. Unlike other "bottle bills," in Oregon's system the beverage industry incurs the full life-cycle costs and benefits of recovery, recycling, and reuse of the beverage containers they put into the economy and environment. Our experience has shown that a DRS structured like Oregon's system provides successful outcomes (nearly 90% redemption rate, with all material recycled domestically) at no cost to taxpayers, no risk to public budgets, and at the most efficient cost for industry. By contrast, states with curbside-only have recycling rates of less than 40% for plastic bottles, and much of the resulting material is contaminated, and/or shipped overseas for processing. Quite simply, our system has a track record of getting the best EPR outcomes for the lowest cost.

While many of our members do business in both Oregon and Washington, OBRC is an Oregon-only entity and currently has no direct position on recommendations for an EPR/DRS system in Washington. Our comments today are meant to address and correct misinformation already submitted by other entities. We want to ensure that as you move forward, you have the best information possible.

- First, the Oregon Bottle Bill is not a windfall for industry. In fact, industry pays more in fees than it receives back in unredeemed deposits. Annual reports for the last three years are available publicly at <https://www.obrc.com/Reports>, and they are independently audited by a major accounting firm and reviewed by the Oregon Liquor Control Commission. They clearly show that our budget exceeds unredeemed deposits. For example, in 2018, unredeemed deposits totaled about \$29 million, against a budget of \$43 million. That means every penny of unredeemed deposits was invested back into recycling infrastructure and operations, including supporting innovative new programs like our refillable, reusable bottle program. This is in sharp contrast to other kinds of recycling where large, for-profit companies distribute any extra fees or income back to shareholders.
- The result of all this investment is extremely high quality, "grade A" plastic, metal, and glass material from our system. OBRC produces the highest quality recycled material from beverage containers in the Pacific Northwest.

- The Oregon system often benefits low income people who have an incentive to pick up containers, reduce litter, and make sure material makes it back for a refund. Especially during COVID, many Oregonians have been grateful to be able to rely on income from collecting bottles and cans, and many non-profits have used it as a way to stay afloat. In April and May of 2020, OBRC and BottleDrop raised \$200,000 in donated containers to support the Oregon Food Bank, providing critical services to low income Oregonians, and we have raised well over \$1 million for non-profits this year. Rather than a concern, we see the value these containers bring to low income people as a benefit, and one that costs taxpayers nothing.

Only Washington can decide if EPR is right for your state. But, should you decide to move forward with EPR, and decide an industry-led, private-sector DRS is the most efficient way to accomplish EPR for the beverage industry, we believe a well-designed system should include coordination between our states, which share a significant border. We would welcome the opportunity to offer our support based on our 50 years of experience.