

Bottled Up

Why Oregon has fallen from leader to laggard in the simplest sustainable habit—recycling.

We gave birth 35 years ago to the country's first bottle bill and built the West Coast's first light rail to an airport. We've wowed the nation with our bike lanes and charmed it with our new environmentally friendly theater space.

But when it comes to the simplest green thing any 5-year-old child can do—throwing a plastic bottle in a big, free, yellow tub—Oregon is starting to suck.

The Oregon recycling rate for rigid plastics has slipped so far, we're not even meeting a state law that requires 25 percent of rigid plastics to be reused, according to the state Department of Environmental Quality.

On top of that, Oregonians are generating more garbage than ever—an average of eight pounds of it, per person, every day, missing another state goal that asks we at least remain constant.

Just how green *is* our valley?

When Oregon introduced the nation's first bottle bill in 1971, it was to prevent litter. The bill requires a 5-cent deposit on carbonated and malt beverages.

While the giant plastic bins that sit next to garbage cans all over the metro area have helped to increase the amount of newspaper, aluminum and glass that we recycle, nothing is as effective in getting consumers to recycle as a container deposit.

Statistics show that the bottle bill works.

"Any container that is covered under that deposit is recycled at well over 70 percent. The rest of it is in the 20 percent rate for beverage containers," says Betty Patton, resource director for the Association of Oregon Recyclers.

But times have changed. The current bottle bill has lost its bite. We have no deposit requirements for the skyrocketing numbers of bottled waters, smoothies, teas and juices, even if their bottles are identical to those that hold Pepsi or Coke.

And, as a consequence, 126 million plastic water bottles in 2005 went into the trash in Oregon.

The answer would seem clear—expand Oregon's bottle bill to include more plastic bottles. So why can't we do anything about it?

Because of the power politics between influential lobbyists, businesses and craven legislators.

Next month, the Oregon Legislature will convene and consider an expansion of Oregon's bottle bill. Whether it succeeds will illustrate whether they remember, or have all but forgotten, that this state was once the greenest in America.

Last year, the Association of Oregon Recyclers tried to get all the players together to talk about updating the bottle bill through the Oregon Consensus Program, a state-funded dispute-resolution project at Portland State University's Hatfield School of Government.

Consensus Program staff interviewed members of the grocery lobby, the restaurant association, DEQ and recycling advocates. But they couldn't even get the groups to sit down together to talk.

"All the people couldn't agree to come to the table," says Elaine Hallmark, director of the Oregon Consensus Program. Hallmark wrote that there is a high level of distrust between the parties and that "The status quo is perfectly acceptable to some stakeholders."

For 35 years, the status quo has been that beer and soda distributors tack on an extra 5 cents for every bottle and can they deliver to grocery stores, a cost that groceries pass on to consumers. You buy a six-pack, you pay an extra 30 cents.

When you—or your neighborhood bottle collector—bring a can back, the store returns your nickel. The store gives the cans back to the distributor, and the distributor pays back the nickels to the groceries. It doesn't matter if you bought the beer at Safeway and returned the cans to Fred Meyer, because all the nickels go through the distributors.

If the can is never returned, the distributor never gives back the nickel; he keeps it.

The system is tightly controlled by distributors, which in 1987 created a cooperative called Container Recovery Inc., or CRINC, to pick up empties in the metro area. CRINC picks up from more than 1,000 grocery stores across several counties.

CRINC goes store-to-store, collecting empties and then selling the materials on

the market; hence, it's recycled. Plastics are made into new plastics; aluminum is made into new aluminum.

Still, not everyone cares enough about 30 cents to drag stale bottles back to Safeway. The state estimates that every year, 220 million cans and bottles don't get returned for deposits. They're tossed at the gas station or recycled curbside, creating an estimated \$11 million in deposits that are not returned to consumers. And who gets to keep that money? Distributors.

In other bottle bill states, such as Massachusetts and Michigan, the state keeps at least some of the unclaimed deposits on bottles. In Oregon, it all goes to distributors.

The \$11 million figure is just an estimate, because distributors are under no obligation to reveal the exact amount. Last legislative session, a bill was introduced in the Oregon House with the modest goal of asking distributors to reveal how many nickels don't get returned to customers. The Democrat-controlled Senate killed the bill.

The bill's champion was not a Portland Democrat but a Salem Republican. State Rep. Vicki Berger was first elected to the House in 2002 as a business owner and Salem school board member. The bottle bill is almost a part of her DNA. Her dad, Richard Chambers, is widely credited with fathering the original bottle bill, which he crafted in 1969 as a way to reduce litter. The bill was defeated on the House floor, but was later brought back to life by then-Gov. Tom McCall.

Berger is similarly undeterred. She plans to dip her hand into bottle deposits again in the coming 2007 session, this time going straight for the bottle bill.

"What I want to propose is, whatever the bounty is, it's the same for all containers," says Berger. "Add water bottles and all the other cans that look like a duck and talk like a duck but aren't included in the bottle bill. It's mostly water bottles I'm after. Here is a way to pick litter out of the garbage stream and put it into the recycling stream with a system that we already have."

Others argue that the state should also raise the deposit, saying that a nickel isn't worth enough anymore to prompt people to recycle.

Jerry Powell, editor for *Resource Recycling* magazine, testified for the bottle bill back in the early 1970s. He says a nickel doesn't buy what it did when he used to pick up bottles and collect them in his bicycle basket.

"If you put a dirty nickel on the street, who will pick it up?" says Powell.

For years, the distributors and grocery-store lobbyists have worked against any expansion of the bottle bill. They've even quashed voter initiatives.

Chris Taylor, who worked for the environmentally friendly group OSPIRG in the mid-1990s, was stymied from getting a hearing in the Legislature on expanding the bottle bill. Taylor says that then-Rep. Veral Tarno, R-Coquille, refused to hold a hearing on revising the bill.

In 1996, OSPIRG collected enough signatures to place an initiative on the state ballot. The measure would have added many more containers to the bill, including more plastic bottles. It failed, in part due to the \$3.2 million that went into the "no" campaign, much of it from out-of-state companies including Tropicana, Quaker Oats (Snapple and Gatorade), Procter & Gamble (Hawaiian Punch) and Philip Morris (Kraft Foods).

In the weeks before the election, voters were barraged by ads that said the new bottle bill would be "costly, complicated and confusing." An opposition statement in the Voters' Pamphlet said the initiative would hurt Oregon's existing bottle bill.

"Their campaign was very sinister because it talked about protecting the bottle bill. They managed to sufficiently confuse voters," says Taylor, who now promotes alternative energy. "To see that support drop from 80 to 40 percent in five to six weeks was really a lesson in how much money talks in initiative campaigns. With enough money, you can convince people of anything."

It's easy to understand much of the opposition to an expanded bottle bill.

Grocers don't like it because they are burdened by the chore of mixing trash-collecting with their primary purpose—selling food.

The Northwest Grocery Association, the so-called "voice" of 250 businesses linked to the grocery industry, says it wants to restructure the Oregon bottle bill so that no collection is done on retailers' property.

Grocery stores get nothing out of collecting the empties. Rather, they spend money on labor to count the bottles and use valuable floor space to store them.

Still, some grocery chains are more sympathetic to the bottle bill.

New Seasons does not use machines but incorporates the old-school method of having staff count bottles by hand.

"It's a little bit of a logistical nightmare," says New Seasons CEO Brian Rohter. "At any given moment, there's lots of them here."

The store collects the bottles in huge plastic bags, which sit until CRINC picks them up. At any given time, Rohter says, 20 to 30 bags—each holding at least 100 containers—are at the store.

"What it costs us is the time. Someone has to accept them. Someone has to sort them. Someone has to put them in bags," he says.

"Yes, it causes trouble," says Rohter. "Yes, we think it's a good thing. Anything that reduces our environmental footprint is a positive thing, but having said that, we don't have a choice."

Rohter says he'd support adding water bottles to the bottle bill even though it would make his life harder.

Even bigger opposition to any expansion of the bottle bill comes from the companies that make the drinks.

Mount Hood Beverage Co. CEO Dick Lytle says, "Our suppliers are brutal about this bill." Lytle, whose drivers deliver products from Coors, Sparkletts, Snapple, Hansen's, Rockstar and others, adds, "They fight the national bottle bill. If [you expand the bill to include more beverages or increase the per-bottle deposit], it's raising the cost of their product. They want the product to be as reasonable as possible."

Interestingly, manufacturers actually have an incentive to promote more recycling of plastic bottles. The rigid-plastic recycling law, which went into effect in 1995, requires that if the state's recycling rate falls below 25 percent, manufacturers who sell plastic containers in Oregon could be required to have their containers made of 25 percent recycled material.

A state announcement that we've fallen under 25 percent is expected in the coming months. That announcement acts as a trigger and means industries will have to address the issue by 2008.

Julie Brandis, lobbyist for Associated Oregon Industries, represents some of the businesses that would be affected by the state mandate that addresses business's role in recycling plastics in Oregon.

She says that before changing the composition of their containers to include more recycled material, her members may challenge the methodology the state uses to measure the recycling rate.

Another possible solution, she says, is to go back to the Legislature and alter or overturn the 25 percent plastic recycling law.

"It might be [we'd] look at the law or make modifications to the law because it has not changed [since inception]," she says.

In addition to the grocers and the producers of drinks, distributors also oppose any expansion of the bottle bill.

If distributors do, in fact, earn \$11 million a year from bottles that are not returned, it would seem that expansion of the bottle bill to include plastic water bottles would increase their revenue, since it's likely that there would be more bottles that consumers would pay a deposit for and fail to return.

But distributors are dead-set against it.

John Fletcher, president of CRINC, the distributors' bottle pick-up company, says, "We've aggressively lobbied against a bottle bill for many years." He says if the state wants to improve its rigid plastic recycling rate, it should push curbside recycling more.

"Seventeen hundred tons of rigid plastic goes to landfills because of inefficient sorting systems," he says. "There's probably little if any recycling done at multifamily [residences]."

Fletcher's co-op has also put its money where its mouth is, giving thousands of dollars of campaign contributions to Republicans and Democrats alike, including Kate Brown, who was the Democratic Senate Majority leader last session, and Republican Karen Minnis, who was last session's Speaker of the House.

Paul Romain, lobbyist for the Oregon Beer and Wine Distributors Association (and the man who made headlines this year for funding legislators' trips to Maui) says he opposes an expansion of the bottle bill because "our costs go up. The grocer costs go up.... We support our grocer friends, and they're saying they don't want it coming back to our stores."

He disputes the estimate of \$11 million that distributors net each year from bottles that are not returned; instead, he argues that the bottle bill *costs* the distributors \$7 million to \$8 million a year to collect bottles and cans, between labor, trucks and warehousing. Any expansion of the system could mean his people are responsible for picking up more cans and bottles.

"If you could figure out a system so that the consumer could be paid by putting it out in curbside, that would be your best bet," Romain says.

Others suggest that distributors don't want to change the system because they want to retain control. Distributors currently run the system with no oversight from the state. Any expansion of the bottle bill will almost surely loosen the distributors' grip.

Rob Guttridge, board member for Recycling Advocates, a local nonprofit recycling group, says: "The distributors have a big stake in keeping it from being changed. They're concerned with attempts to restructure so somebody else might be in charge. Most of the people interested in reforming the bottle bill are interested in taking it away from the distributors."

That's exactly what would have happened with a bill that was proposed last session by state Sen. Joanne Verger, D-Coos Bay. The bill would have created a Beverage Product Stewardship Board, which would have overseen container collection and refunds. It would have expanded the kinds of bottles covered and included a cut for grocers, to pay them for the time and expense of handling.

An aide for Verger during the session, Teddy Keizer, helped draft the bill.

"The grocers liked it, but they weren't willing to campaign for it because they need to have a good relationship with the distributors," says Keizer. "Manufacturers were against it because raising the deposits would raise their price points."

The bill never came up for discussion in the Senate.

In 35 years of state politics, neither Democrats nor Republicans have been able to see beyond the banter of lobbyists to get the bottle bill revised.

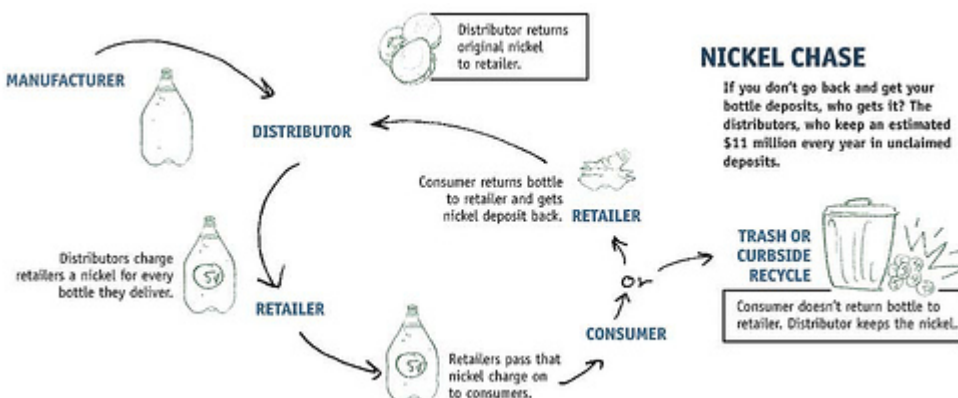
But this year, things are different. A new mandate for recycled plastic is on the horizon, Democrats now control the Legislature, and lawmakers of both parties are leery of standing too close to Romain, the distributors' powerful lobbyist. Jackie Dingfelder, a Democratic state representative from Northeast Portland, says, "If there's any year to expand the bottle bill, this would be it."

It won't come without a fight. Last week at a forum near Salem about the bottle bill sponsored by the Association of Oregon Recyclers, Joe Gilliam, a lobbyist for the grocers, told a roomful of advocates that he will aggressively fight against any expansion of the bill, which he said costs his clients \$30 million a year.

"We shouldn't be stuck with the bill," said Gilliam.

Gilliam said he knows how to fight expanding the bill and has the money and wherewithal to do so. "We know how to do it. We did it in '96," he said.

VIEW THE CHART



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Different states put a deposit on different items. Besides beer and soda, California puts a 4-cent deposit on all noncarbonated, nonalcoholic beverages, except milk. Maine collects 5 to 15 cents for wine, liquor, water and nonalcoholic carbonated or noncarbonated drinks.

Since 1971, 10 states have followed Oregon's lead and created bottle bills. Some states, such as Hawaii, collect empties in depots set up around the state.

Iowa puts a deposit on wine bottles. In Alberta, Canada, you can recycle a Capri Sun drink pouch. Three states—California, Massachusetts and Michigan—collect a percentage of unclaimed deposits.

Three states put a deposit on water bottles: Maine, Hawaii and California.

In 2005 Oregonians generated an average of 8.4 pounds of waste every day, per person, up from 6.2 pounds per day in 1995.

Portland will spend \$400,000 this fiscal year on recycling education (not including staff salaries).

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