

METRO 2021 LEGISLATIVE ISSUE IDENTIFICATION

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ISSUE: Producer Responsibility for Packaging and Paper Products (PPP)

BACKGROUND: Oregon is a national leader when it comes to recycling. Oregonians value the environmental benefits of recycling and established state policies in the 1980s and 1990s that require communities to provide recycling opportunities for residents and businesses. This system worked well for many years, but our local recycling programs now face major challenges and increasing costs.

Materials: Oregon's recycling programs were developed when most products were manufactured in the United States and only a few items were packaged in plastic. Changes in what producers are putting on the market and therefore what ends in the recycling bin have created problems. These include the reduction in easily recyclable and marketable materials like newsprint, and the introduction of multi-material packaging that is difficult if not impossible to recycle.

Contamination: These changes in the market have been accompanied by increased contamination in household and business recycling bins. Our fragmented collection and processing system lacks the economic incentives to ensure clean materials. Contamination has devastating environmental and social impacts on overseas end market communities who have to deal with plastic trash and many have closed or restricted their markets in response.

Contamination and the demand for cleaner material have also resulted in a rapid rise in system costs. This has been particularly hard for communities that also pay to transport the materials they collect to distant processing facilities. Local governments across Oregon have had to raise solid waste rates and/or drop materials from their collection programs in response.

Processing Facilities and Recycling Markets: A long-term shift to foreign from domestic markets was upended first by the Chinese "Green Fence" policy (dating back to 2006), eventually leading to extremely severe current restrictions on imports known as the "Chinese Sword."ⁱ While the loss of foreign markets for recyclables presents an opportunity to rebuild domestic markets, our processing facilities need significant investments to modernize their processing equipment. Metro's "Innovation and Investment" grant program has helped, but is not a long term solution to the problem. Local governments have no control when it comes to how and where items are recycled. We cannot assure residents and businesses that materials are properly sorted and recycled responsibly, especially when they travel to markets outside the United States.

DEQ's Recycling Steering Committee: In response to the problems outlined above, the Department of Environmental Quality established a Recycling Steering Committee (RSC) to look

into updating and modernizing Oregon's recycling system. The RSC was comprised of representatives from local governments, waste and recycling hauling companies, recycling processing facilities, and others. The RSC provided an opportunity to inform stakeholders on issues and options that could go into modernizing Oregon's recycling system. At the outset, the DEQ communicated to the RSC that the DEQ, through the Governor's office, hoped to propose legislation to modernize the system in the 2021 legislative session.

The RSC process concluded on September 18 with a consensus proposal. The proposal represents the best efforts of the Committee to identify a set of concepts that those at the table could concur on. Most notably, the proposal would establish an Extended Producer Responsibility (EPR) system for packaging and paper products.

Elements of the EPR system outlined in the RSC proposal include a statewide list of materials to be collected; producer funding for education, contamination reduction and investments in processing facilities; and requirements that producers ensure all collected materials go to markets where they will be handled responsibly with both workers and the environment in mind. Additional elements include "truth in recycling" labeling requirements so consumers know products marketed as recyclable will in fact be recycled; requirements that all collected materials go to certified or permitted processors capable of outputting marketable materials with few contaminants; and provisions that address equity concerns such as living wages and a safe workplace for recycling system workers. Also notable are "upstream" provisions that take into account the life cycle impact of materials and will create incentives for producers to develop products that have fewer impacts.

RECOMMENDATION: Actively support legislation modernizing state and local recycling programs based on a producer responsibility approach. The DEQ is working with the Office of Legislative Counsel to develop a bill that reflects the concepts concurred on by the RSC. An additional EPR proposal by environmental organizations that focuses on issues such as plastic pollution is also expected. While the DEQ RSC process achieved considerable consensus, it was at a high level with many implementation details left to be determined. We expect a dialogue to take place over the next several months about more detailed legislative language.

LEGISLATIVE HISTORY: EPR for PPP has been widely adopted across the world including in Europe and Canada.ⁱⁱ States looking at EPR for PPP include Maine, New York and Washington. EPR for PPP legislation has also been introduced at the federal level. A producer responsibility program for PPP would build on the long legacy of Oregon's successful "Opportunity to Recycle Act" (1983). Producer responsibility programs in Oregon for electronic waste and paint have been very beneficial for Oregon residents. A program requiring take-back of medicines passed by the Legislature in 2019 will soon be operating.

OTHER INTERESTED PARTIES: Key parties with a high level of interest include local governments both individually and through the League of Oregon Cities (LOC) and the Association of Oregon Counties (AOC); persons and companies in the solid waste and recycling field both individually and through the Oregon Refuse and Recycling Association (ORRA) and the Association of

Oregon Recyclers (AOR). Producers to be affected by this proposal observed, but were not part of, the DEQ RSC consensus process. Environmental and public interest groups focused on the issue include Environment Oregon, Surfrider, Peak Plastics Foundation, Oceana and Willamette Riverkeeper.

IMPACT IF PROPOSED ACTION OCCURS:

- Provides a modernized, more sustainably managed and more financially sound state and regional recycling system that requires producers to share in responsible management of their products.
- Supports the Metro Council's legislative principles and the Regional Waste Plan's promotion of producer responsibility, including reducing the life cycle impacts of products and their packaging.
- Assists Metro in preserving natural resources and protecting the environment. The program will advance the development of covered products that have less environmental impacts including reduced GHG emissions.
- The program will provide advance greater equity in the provision of recycling services across the region and state and improve the working environment for those employed in the recycling industry.

ⁱ <https://resource-recycling.com/recycling/2018/02/13/green-fence-red-alert-china-timeline/>

ⁱⁱ [Product Stewardship Institute Report on EPR for PPP](#)