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**Date:** Jan. 10, 2020  
**To:** Environmental Quality Commission  
**From:** Richard Whitman, Director  
**Subject:** Item D: Oregon Recycling Steering Committee update (Informational)  
Jan. 23-24, 2020, EQC meeting

**Why this is important**

In late 2017, China imposed strict quality standards on mixed paper and plastic imported for recycling. This action significantly disrupted recycling programs in Oregon and around the world. The key driver for this decision was the need to address contamination in the recycling system – materials that processors are not equipped to handle or end markets do not want. Local governments in Oregon have responded to China’s actions in different ways, including scaling back recycling services, raising rates to pay for added processing and increasing efforts to reduce contamination at the source. These responses have stabilized recycling in Oregon, but conditions remain challenging and decisions are required on the longer-term future of recycling in Oregon. With those decisions, policymakers have an opportunity to also address broader environmental concerns, including marine debris and climate change.

In 2018, DEQ convened a Recycling Steering Committee to evaluate Oregon’s 35-year old recycling system. Steering Committee members will seek consensus on a series of recommendations to modernize both the infrastructure and the laws governing responsibility and accountability for recycling. DEQ anticipates potential state legislation in 2021 that may significantly change what recycling services are available in Oregon, how those services are managed and paid for, and the responsibility of producers to reduce the environmental impacts of packaging and printed material more broadly.

**Prior EQC involvement**

The commission has not substantively addressed recycling since the market collapse of 2017. EQC action in 2016 focused on 2015 legislation requiring changes to administrative rules governing local government provision of recycling services.

Recycling is part of the life cycle of materials addressed in *Materials Management in Oregon: 2050 Vision and Framework for Action*. This document, which the commission adopted in 2012, serves as the state’s plan for sustainable materials management. An update to the *Framework for Action* is planned for March 2020.

**Background** Recycling is the use of waste materials as feedstocks in the manufacture of new materials or products. When waste materials displace virgin resources in manufacturing, this reduces supply chain impacts from activities like mining or logging and typically reduces energy requirements and emissions created during manufacturing.

However, recycling is commonly viewed as the act of separating wastes by individual waste generators. That action, done by individuals and the local governments who oversee waste collection, is not the responsibility of the producers or ultimate end users of materials. This disconnect between recycling's environmental value (at the end user phase) and our society's understanding of recycling (as a waste sorting and collection activity) lies at the root of one of contemporary recycling's current problems: recycling carts contain contaminants which can harm the recycling process.

Oregon's policy addresses both end-market and collection aspects of recycling. State law requires producers of newsprint, glass bottles and telephone directories to incorporate modest levels of recycled content. At the same time, statute requires most cities and counties to provide waste generators with an "opportunity to recycle." This recycling opportunity typically includes collection of mixed recyclables from households and businesses. Most local governments choose to license or franchise recycling collection to private enterprises, with varying degrees of government oversight. Operators of disposal sites are also required to provide drop-off recycling opportunities.

Once collected, mixed recyclables are typically sent to one of several privately-owned facilities for sorting before they are sold to end-markets or brokers. In Oregon, state and local government oversight is strongest at the point of collection, and weaker at the points of processing, marketing and end use.

Historically, most of Oregon's recyclables were used within the region. Starting in the 1990s, China's industrialization drove its increased purchase of recyclable wastes from the U.S. and European markets. Compared to domestic markets, Chinese buyers offered higher prices and were generally more tolerant of contamination, which was increasing as community programs began allowing greater mixing of recyclables by waste generators.

Contamination in bales of mixed recyclables continued to grow, and throughout the earlier part of this decade, the Chinese government imposed a series of restrictions intended to reduce the negative impacts of importing contaminated recyclables. In late 2017, China implemented a new policy, known as "National Sword," which prohibited imports of any mixed paper or plastic containing more than 0.5 percent contaminants. Processors in Oregon and other states were unable to meet those new limits. In response, collection programs in Oregon have either dropped materials from service, raised fees to pay for added

processing and marketing costs or both. Many programs have increased education and outreach to the public in an attempt to reduce contamination at the source.

Working with facilitators at Oregon Consensus, DEQ convened the Oregon Recycling Steering Committee in 2018 to discuss the longer-term future of recycling in Oregon. The Steering Committee is charged with making recommendations for modernizing recycling in Oregon in order to optimize environmental benefits consistent with the broader goals of Oregon's *2050 Vision*, create a recovery system that is strong and resilient to changes in supply and demand, and restore and maintain public trust in the system. The Steering Committee is also charged with balancing the needs of different parts of the state, reflecting the diversity of approaches needed in a state that contains both urban and rural areas with very different service needs and available infrastructure.

The Steering Committee is focused on the materials that are or could be collected as part of Oregon's "opportunity to recycle" program: paper, plastic, glass and metal collected on-route from households and businesses or at drop-off sites. Organic waste, household hazardous waste, and materials with special recovery pathways, such as tires, paint, and electronic devices, are not a focus of the Steering Committee's work.

The committee includes representatives of local governments, recycling collectors, processors, an end market and several nongovernmental organizations as well as DEQ. Unlike a typical DEQ advisory group, DEQ sits on the Steering Committee as one of sixteen voting members. DEQ staffs the Steering Committee and oversees three contractors that assist with facilitation and research. Steering Committee members also engage with DEQ in scoping research tasks and through several subcommittees.

DEQ is supporting broader engagement with a larger number of interested parties, including a public information session in late January, a survey, outreach to underrepresented communities and meetings with local governments.

The Steering Committee's research is in two broad areas:

- Infrastructure, which includes the types of materials collected, collection methods, efforts to reduce contamination, processing systems and end markets.
- Legal and relational frameworks, which are the systems of laws, policies, and legal instruments and relationships that establish financial and legal responsibilities, accountability and oversight.

This research will inform consensus-seeking discussions that will begin in March. The Steering Committee aims to complete its recommendations by fall

2020, in part to inform likely legislative proposals in 2021 and subsequent sessions.

**Major Issues** Deliberation about the future of recycling in Oregon centers around five broad and inter-related themes: degree of ambition; collection and processing infrastructure; post-collection transparency and accountability; the extent of producer responsibility; and social equity.

Stakeholders have widely divergent degrees of ambition for Oregon's future recycling system.

- Many stakeholders see value in having a uniform statewide list of materials collected, but disagree on the scope of that list. Some wish to target a broader list of materials for collection, especially plastics, while others want to collect fewer.
- If consensus cannot be reached on a uniform list, Oregon will maintain its current system where residents in some areas have recycling opportunities for more materials, while other residents have less.
- Similarly, residents of multi-family housing often have fewer recycling opportunities than those in single-family housing, and providing equal service will require significant investments to address the unique challenges common in multi-tenant settings.

A closely related issue is the collection and processing infrastructure. The committee will discuss alternatives, including:

- Reverting back to more intensive separation of recyclables by households and businesses;
- Stronger or more consistent consequences when waste generators improperly sort for recycling; and
- Greater investments in the processing infrastructure to reduce contamination of outbound recyclables to desirable levels.

Oregon's system of processing mixed recyclables is only lightly regulated, but highly competitive. End markets generally pay processors based on quantity, not quality, of sorted material. As a result, some recyclables that are properly prepared by waste generators are mis-sorted and sent to the wrong end-market, while some contaminants are not removed at all. Better standards, transparency and accountability, both at processors and at the final destinations of Oregon's collected recyclables, would help to ensure that materials collected for recycling are being recycled responsibly and would help to hold all players in the system accountable. This is especially acute if materials continue to be exported to other nations that lack adequate environmental safeguards, thereby contributing to pollution in these countries.

Notably absent from Oregon's current recycling system is meaningful responsibility by most producers of these materials. The Steering Committee is considering several options involving product labeling requirements, the mandated use of post-consumer recycled content, and broader extended producer responsibility concepts. Common in Canada and Europe, and proposed in a growing number of U.S. states, extended producer responsibility engages producers in sharing in the financial and operational responsibility of the recycling system. While commonly viewed as a financing solution for recycling, extended producer responsibility can also address related issues such as marine debris, and broader environmental impacts such as climate and toxics through incentives or mandates for better design and material selection.

DEQ and the Recycling Steering Committee are also increasing focus on social equity considerations in the recycling system. The dimensions of equity include who has access to services, who is negatively impacted and who profits from the system. The Recycling Steering Committee has identified equity as one of several desired functions of a future recycling system in Oregon. DEQ is taking some early steps to increase the agency and committee focus on equity by engaging with entities that are otherwise underrepresented in this process, including individuals who work in the processing industry, and users of the recycling system with access barriers due to income, geography or language.

**Next steps** The Recycling Steering Committee will continue to direct and review the results of research and evaluation through the first half of 2020. DEQ will host a public information session Jan. 31, 2020, to share and seek broader feedback on an evaluation of several different legal and relational frameworks. A survey and broader engagement strategies in February and March will inform consensus-seeking deliberations within the Steering Committee. Those deliberations will commence in March. In parallel, the Steering Committee is also engaged in a robust evaluation of infrastructure needs and opportunities.

Based on current schedules, the committee will finalize and confirm its recommendations to modernize Oregon's recycling system and a high-level implementation plan by September 2020. DEQ intends to develop or support the development of proposals for legislative concepts in parallel with this process. DEQ anticipates some legislative consideration of recycling in 2021, with possible ongoing discussion and implementation for several more years.

**EQC involvement** DEQ's project sponsor and project manager will attend the Jan. 23-24, 2020, commission meeting to answer questions and discuss options for commissioners to become more engaged in this work. DEQ also welcomes any comments or feedback on the project and recycling issues.

**Supporting  
materials**

- A. [Recycling Steering Committee webpage](#)
- B. [Recycling Steering Committee Charter](#)
- C. [Materials Management in Oregon: 2050 Vision and Framework for Action](#)

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