



PRO Obligations

Background Paper for August 18, 2022, Oregon Recycling Council Meeting

The Plastic Pollution and Recycling Modernization Act includes language directing the Environmental Quality Commission to set various rules pertaining to the obligations of producer responsibility organizations. This background paper summarizes PRO obligation rule concepts under development as part of the [current rulemaking](#).

Background

The RMA directs the EQC to set in rule:

- A fixed, one-time fee for reviewing a producer responsibility program plan
- An annual fee charged to each PRO to pay the costs to the Department of Environmental Quality for administering, implementing and enforcing the RMA
- Methods for calculating market share (which will be used to set thresholds for minimum PRO size, determine the identity of "large producers," and split fees among multiple PROs)
- Standards and requirements for coordination plans and coordination between PROs
- A process for submittal, review, approval or rejection and revocation of coordination plans
- A process for DEQ to issue an order requiring a coordination plan.

A synopsis of the relevant rule concepts follows below.

Fees

[DEQ proposes to set the fees](#) as follows:

- Program plan review fee: \$150,000 to be paid by each PRO when submitting its program plan,
- Annual administration fee: \$4 million per year for the first four years of the program (2025-2028) and \$3 million per year thereafter. The fee is higher in 2025-2028 because it incorporates most of DEQ's start-up costs from 2021-2025. In the case of multiple approved PROs, DEQ proposes to split the annual administration fee among PROs in proportion with market share.

Market Share

DEQ [assessed two possible methods](#) for calculating market share, weight and weight multiplied by product-specific financial burden. The former method is simpler to apply, while the latter better upholds the Act's stipulation that products should not cross-subsidize one another within PRO membership fee structures. DEQ is leaning toward recommending the latter method but is seeking more feedback before firming up this recommendation.

PRO Coordination

In the case of multiple approved PROs, coordination among them will be necessary to deliver their obligations and on a particularly aggressive timeline for certain activities (including depot establishment and setting up single-point-of-contact invoicing) in order to ensure a smooth start to PRO plan implementation on July 1, 2025. To enable the coordination, [DEQ proposes hiring an interim coordinator](#) and assigning interim coordination tasks to individual PROs until such a time as PRO-led coordination replaces the interim coordination system, or by December 31, 2026, whichever comes earlier.

Other

DEQ proposes [four additional rule concepts](#) pertaining to PROs to operationalize the Act better.

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