Recycling Council Budget and Fees Subcommittee

12/18/2025

Recommendations on Exemptions from "Covered Product"

1. Regarding recommended exemption #1 for five formats of specialty packaging used exclusively for manufacturing and industrial applications: drums, gaylords, supersacks, Intermediate Bulk Containers, and industrial totes:
    a. The subcommittee generally approves of this exemption, but with some careful definitions and size limitations included so as to limit the exemption to materials unlikely to be placed by a business into a commingled recycling container (e.g. bin or dumpster):
        i. For drums, the subcommittee recommended limiting exemptions to drums of up to 5 or 10 gallons in volume.
        ii. For plastic drums like rain barrels, the subcommittee recommended care to ensure that those sizes accepted at PRO Recycling Centers remain in scope.
        iii. For supersacks, the subcommittee expressed support for applying an ISO definition for "flexible Intermediary Bulk Container" – "A flexible, woven container, typically made from polypropylene, designed to carry dry, flowable products in quantities usually from 500 kg up to 2,000 kg, and equipped with lifting devices."
2. Regarding recommended exemption #2 for labels that, if not removed, interfere with use of the product:
    a. The subcommittee generally approves of this exemption under the premise that it would enable avoidance of perverse incentivization of material-switching from paper to plastic to avoid obligation for the material as "printing and writing paper."
    b. The group contemplated an alternative approach whereby only specific types of such labels (e.g. labels on dashboards, apparel hang tags) would be exempted, but found that the laundry list of such labels could prove too large to efficiently enumerate.

3. Regarding recommended exemption #3 for garbage bags made by producers that market no garbage bags into the state for a recycling purpose:
    a. The subcommittee did not approve of this exemption and rather would like garbage bags to remain in the program in light of the contamination impacts that this product has on the recycling system, and the clear inclusion of "single use bags" within the scope of the law as "packaging."
    b. The subcommittee recommended that DEQ explore ways of mitigating the equity issue of garbage bag producers paying commensurate fees as producers of, say, produce bags, but with many more garbage bags going to landfill compared with produce bags because garbage bags are expressly designed for disposal. The group discussed various options for how some fee relief could be extended to garbage bag producers, and generally recommends that DEQ explore such options further:
        i. Ecomodulation for PCR
        ii. Breaking garbage bags out as a separate fee category in the PRO fee methodology
        iii. Charging garbage bag producers a fee only for those bags that do not go to landfill
4. Regarding leased Reusable Packaging Containers (RPCs), for which DEQ has not yet recommended an exemption but is exploring:
    a. The subcommittee was supportive of an exemption by the rationale that the leased and reusable nature of these containers makes for complications in reporting (provider of the containers has to give considerable information to the obligated producer in order to enable them to a) deduct exempt containers discarded outside Oregon, b) limit reported supply to only new containers that came onto the market in a given year, and c) claim the exemption for private recycling under ORS 459A.869(13) for any containers that were diverted to private recycling at end of life).
    b. The subcommittee did not want to overly burden producers that choose to use RPCs, an environmentally-favorable practice, with associated reporting, resulting in perverse incentivization of switching away from RPCs to single-use.