



Recycling Steering Committee

Modernizing Oregon's recycling system with support from Oregon Consensus

Recycling System Steering Committee Meeting Summary

Via Zoom

June 18, 2020

ACTION ITEMS:

ACTION	BY WHOM?	BY WHEN?
<ul style="list-style-type: none"> Oregon Consensus (OC) will provide a written synthesis of themes that have surfaced through the RSC discussions about EPR. 	OC	Week of June 29
<ul style="list-style-type: none"> OC will work with RSC members and DEQ to determine the next steps to move the EPR conversation forward. 	OC	Week of June 29
<ul style="list-style-type: none"> OC will send out a draft June 18th meeting summary to RSC members for feedback. 	OC	Week of June 29

Meeting Attendees:

Steering Committee Members: David Allaway, Abby Boudouris, Dylan de Thomas, Sarah Grimm, Nicole Janssen, Scott Keller, Matt Stern, Vinod Singh, Kristan Mitchell, Jeff Murray, Pam Peck, Timm Schimke, Jay Simmons, Bruce Walker, Rosalynn Greene (for Amy Roth), and Laura Leebrick

Facilitation Team: Robin Harkless, Amy Delahanty and Jennah Stillman

DEQ Staff: Sanne Stienstra, Justin Gast, Peter Spendelow, Brian Stafki, Loretta Pickerell, and Steve Siegel.

Registered Participants: Lauren Aguilar, Tino Barreras, Kristen Bartles, Blake Bennett, Sarah Bloomquist, Kathleen Boutin-Pasterz, Deb Carey, Contracia Carrier, Taylor Cass Talbott, Dave Claugus, Paul Cosgrove, Shannon Crawford, Tommy Crenshaw, Josie Cummings, Thomas Cuomo, Resa Dimino, Aaron Donley, Jeff Epstein, Nick Fahey, Sabrina Gogol, Emily Ham, Jeanette Hanna, Garth Hickle, Julie Jackson, Dean Kampfer, Scott Klag, Dave Larmouth, Cindy Leichner, Kristin Leichner, Brandon Lesowske, KJ Lewis, Chaz Miller, Sal Peralta, Jerry Powell, Derek Ranta, Daniel Redick, Katie Reilly, Cat Rhoades, Keith Ristau, Julie Robertson, Heather Robinson, Tina Schaefer, Chloe Simmons, David Skakel, Jody Snyder, Eric Stephens, Kara



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Steward, Lindsay Stovall, Mary Vihstadt, Dan Weston, David White, and Rick Winterhalter.

MEETING SUMMARY:

Welcome and Agenda Review

Facilitator Robin Harkless, Oregon Consensus, welcomed the group and Recycling Steering Committee (RSC) members and gave brief introductions. She then reviewed the proposed agenda and intended goals of the meeting with the group, which were for RSC members to review and discuss the potential benefits, tradeoffs, uncertainties, and alternatives to integrating producer responsibility into the processing phase of Oregon's recycling system; develop further understanding about 'what is a PRO'; and hear status updates from three ad hoc groups working on elements for modernizing the recycling system.

Extended Producer Responsibility for Processing: What are the options? How might it work in Oregon? What are the impacts?

Intro Presentation by DEQ

David Allaway, DEQ, provided a brief presentation of the options for a producer role in the processing phase to the RSC ([see PPT for additional detail](#)). David noted DEQ identified a menu of options by which producer responsibility could be extended into the processing phase of Oregon's recycling system, but acknowledged there may be others the agency has not identified, and cautioned the group to not be limited to those options presented by DEQ. Presentation topics included which materials could be subject to EPR for processing and EPR for Processing Options ("classic", financial only, and "rates and dates"). Note: Some RSC members were confused by the 'classic' label, which DEQ clarified was a term they used to describe a range of EPR applications in which producers of PPP are legally obligated to provide certain defined functions in a system.

RSC Discussion (break out groups)

Following the presentation, RSC members were invited to discuss the content of the EPR for processing presentation, and discuss amongst each other in small groups the potential benefits, tradeoffs and uncertainties with regard to integrating EPR at the market phase; and alternatives that could meet the same desired functions of EPR at this stage. Themes from the small breakout groups were shared in a large group report-out, and summarized below:

- Generally, RSC members share an **openness to exploring different models** of EPR further. Some members shared a desire to look at financial-only EPR options, such as programs in Quebec and Ontario, or hybrid EPR options.



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- Some members saw the benefits of a **financial-only or hybrid EPR model**, where funding could address the gaps in the system and target problem materials. Those members noted that a 'classic' EPR model could create stranded assets, create obstacles for industry, and add an additional layer of bureaucracy for the State.
- Other members highlighted **hybrid and "classic" EPR models** could, among other aspects, ensure price stability, and increase efficiency and transparency in the system through proper controls. Those members were supportive of ongoing financial support to the recycling system, rather than a one-time investment. They noted that in general, assets depreciate, so ongoing capital for investments would be beneficial. A few members stated that if producers have more "skin in the game" (e.g. added responsibility or implementing eco-modulated fees) they are likely to support better labeling practices and support anti-contamination efforts on packaging and design. One group wondered that if a Producer Responsibility Organization (PRO) is only paying for processing, "what commitment do they have to the end market?"
- A concern was raised about the cost burden from a "classic" EPR model — who will ultimately end up paying? The concern was that the cost burden may be placed inequitably on those that are unable to pay. There was an interest in understanding these cost burden impacts.
 - Note: RRS researched this topic after this question was raised by RSC members at the January info session. The memo from RRS is available online.
- Some small groups said they would like to consider a **stepwise or phased approach** to implementing EPR.

Ad Hoc Group Updates

Processing — transparency and accountability (Matt Stern, Timm Schimke, Jay Simmons, Pam Peck, David Allaway, Jeff Murray, and Vinod Singh)

Timm Schimke shared the following joint message on behalf of the group: "conditioned on other parts of system elements/ improvements upstream and at end market (e.g. effective statewide list, effective generator facing contamination reduction programming, market transparency and accountability), the ad hoc group supports that:

- Conceptually, the processing system should achieve two outcomes: 1) provide markets with quality outbound materials, and 2) sort properly-prepared materials so that they are delivered to their intended end markets. There should be some accountability for the effectiveness of MRFs to both of those outcomes.
- Other considerations when developing specifics for this concept include: implementation of accountability measures should happen over time with near, mid and longer-range targets identified. Any recommended measures will need



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to account for investments needed to allow MRFS to effectively meet the targets and other concerns to be further discussed by the ad hoc group.

- The ad hoc group, with support from RSC, will take a next step in developing options for how to measure and meet these MRF accountability functions related to outbound material quality and sorting effectiveness.
- So far, the ad hoc group has focused primarily on outbound material quality and sorting effectiveness. The group has yet to discuss how MRFs can evaluate inbound quality and provide feedback to reward improvements in inbound quality. Nor has the group yet discussed equity considerations. The group will explore those topics in upcoming meetings
- The next group meeting is scheduled for July 7th.”

Truth in Labeling (Matt Stern, Jason Hudson, Kristan Mitchell, David Allaway, Dylan de Thomas, and Sarah Grimm)

Jason Hudson provided a status update on the Truth in Labeling ad hoc group with RSC members. He shared the group met twice and drafted the guiding principles below:

- Labeling should not be confusing.
- Whatever Oregon proposes should be legal (with federal and international law).
- Producers should be held accountable for claims that are misleading, confusing, or contribute to contamination in Oregon's recycling system.
- Practical for in-state regulators.
- Practical for producers.
- We believe Oregon should be bold in our thinking on truth in labeling.

Following a review of the principles, Jason noted the ad hoc group tasked itself with reaching out to RSC members to get a quick ‘temperature read’ ahead of the RSC meeting. During the outreach calls, members were generally supportive of the guiding principles, but some noted the ‘devil was in the details’. One member raised a question related to the meaning of ‘practical’, which prompted a discussion among some ad hoc members whether they held a shared understanding of the principle. Jason noted the group's next steps will be to refine the guiding principles and take the next steps in working through policy potentials.

Post Consumer Recycled Content Standards (Dylan de Thomas, Nicole Janssen, David Allaway, Justin Gast, Amy Roth and Jay Simmons)

David shared this group made significant progress in their discussions. They developed proposed recommendations for the RSC's consideration at its July 16th meeting. David shared that at the beginning, ad hoc members began with differing viewpoints, but by the end, everyone changed their positions and developed something for the RSC's consideration.



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Public Comment:

Taylor Cass Talbott (Groundscore and WIEGO) shared the following observations with the RSC:

- Without government oversight, EPR could be used as a tool for producers to take over the system.
- It is important for producers to be responsible for financing the waste system.
- The RSC should consider models for EPR, such as a reimbursement / financial model. It puts more control in the hands of the government. The financial model includes more transparency and accountability, and tends to be more likely to be responsive to the community. Quebec has a product stewardship system, but it is moving towards a more BC model; the transition will be heavily documented over time and the lessons learned could be informative to Oregon.
- Clear communication tools are needed to engage a broader range of stakeholders in this effort.
- The Bottle Bill has been mentioned as an example of “classic” EPR. This raises a question about the impacts on informal workers if Oregon has an EPR system that enables new actors to engage in the waste management system.

Kristin Leichner (Pride Disposal) thanked the RSC for addressing the DEQ listserv / public access question she raised at the last meeting. She then encouraged the RSC to consider randomly assigning non-RSC members to listen to small breakout group discussions.

David Skakel (Tri-County Hazardous Waste & Recycling Program) offered two comments. He stated he has heard from RSC members that EPR should be limited to problem materials as one perspective. From a rural perspective, he would like to see EPR address transportation [costs]. He noted that if transportation isn't affordable or subsidized, it becomes an equity issue, especially for rural programs, as the economics are harder at these locations further from markets. He stated it has been a healthy conversation about EPR, but suggested to the committee to try to push on more specifics about 'why' and 'what' concerns with EPR are about. He heard EPR affects control, but was not sure what that meant. He also heard there would be a loss of local control over decision and ownership of materials at the curb, and wondered, 'why is that important and to whom?' He heard a concern that EPR has negative impacts on consumer goods and suggested the RSC research that opinion to help inform the committee.

Dave Larmouth (Recology) shared it would be nice to find a way for non-RSC members to listen in on the small group discussions. He then raised a concern about PRO(s) and the need for oversight. He stated that during the COVID crisis, both the Bottle Bill and PaintCare stopped and with very little notice. The public is still paying for those deposits on paint and containers, and in some cases, there is not an opportunity for consumers to dispose of the materials or get their money back. He stated that there is a role for



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state agencies to force that accountability from the PRO. He then suggested the RSC consider a Stewardship Responsibility Organization (SRO) model as an alternative.

- David Allaway addressed some of Dave's comments, including that OBRC kept all of its redemption centers open, and it was OLCC's decision not to enforce against grocery stores who suspended redemption at their stores.
- Note: DEQ is compiling information to address Dave's remaining comments and concerns, and will share that soon.

Producer Responsibility Organization

As a follow up to ongoing questions raised in this forum, and to complement the ongoing RSC discussion of the potential role of the producer in a modernized Oregon system, this agenda item was set up as an opportunity for members to hear and revisit what has been learned about the *function of a PRO* based on their function within other system frameworks, lessons learned and ideas from Oregon's experience, and ongoing dialogue among the RSC about what could work or would be needed. To initiate the discussion, DEQ shared a brief presentation with RSC members.

Intro Presentation by DEQ

David Allaway and Abby Boudouris, DEQ, provided a brief presentation on the background about PRO(s) ([see PPT for additional detail](#)). Presentation topics included what is a PRO; what is a program plan; benefits of PRO(s); and the PRO experience in Oregon. The following key points were shared during the presentation:

- **Sources.** The presentation materials were drawn from the RRS Evaluation of Five Legal and Relational Framework Scenarios research, Chaz Miller report (partially funded by ORRA), Product Stewardship Institute Report (funded by Metro) and several other reports, including landmark reports by Deloitte and the Organization for Economic Co-operation and Development.
- **What is a PRO?** A PRO is an organization that acts on behalf of individual producers, and satisfies the producers' obligations on their behalf. There are many different operational approaches for PROs overseeing many different EPR programs throughout the world.
- **What does a PRO do?** It manages the obligations of individual members, whatever those obligations might be. Some EPR programs have extensive obligations, others have simpler obligations. The role that PRO(s) play in coordinating functions across multiple producers with similar obligations is important.
- **What is a program plan?** A program plan serves as the PRO(s) blueprint for meeting goals and obligations. A program plan is put together in accordance to law and can include elements such as a proposed list of recyclables; collection/processing requirements; education and outreach; end market



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development; and waste reduction and litter abatement. A program plan must be approved by the governmental entity in charge of oversight.

- **Benefits of a PRO.** The presence of one or a small number of PROs provides the oversight entity and solid waste businesses with a manageable number of entities to interact with; negotiate terms; accept payments; simplify the flow of funds; strengthen accountability; and reduce the burden on smaller producers (who meet *de minimis* standards).
- **PRO experience in Oregon.** Examples of PROs in Oregon include the Oregon eCycles program, PaintCare Oregon, Bottle Bill, and the drug take-back legislation passed in 2019. Experience gleaned over the last decade plus (with the eCycles and PaintCare programs) has provided valuable learning experiences for DEQ and program stakeholders shaping new EPR laws. DEQ has learned from its early experience that producers can be held accountable if their PROs are held to objective standards for measuring compliance and meaningful consequences for failing to meet those standards.

Following this, RSC members were invited to discuss the potential role of the PRO in a modernized Oregon system. Some expressed a desire to hear more than just the positive pitch for a PRO, to hear more about the potential downside or unintended consequences of integrating a PRO in the system. There was also a suggestion to look further into the examples of eCycles and PaintCare programs in Oregon. David offered that the original request by the RSC was to show why a PRO is necessary, and as such, the presentation showed only one side, but acknowledged there are pros and cons. He encouraged RSC members to bring forward presentations or information about PRO(s) and the group can work to bring those conversations forward. The following comments and questions were also shared with the group:

- If we are developing a program plan with a PRO, who is the arbiter? Who manages that?
- Oregon has had a long track record and collective history with EPR which it has applied to the mattress EPR bill over the last few legislative sessions. It would be good to know in more detail the lessons learned from those experiences, but at a minimum, that experience has shown that anything that is brought to the legislature needs to be very clear and concise.
- Interest in having a PRO Advisory Board to develop, guide or oversee a PRO?
- Interested in third party auditing.
- Would like clarity between having producers provide funding vs. a PRO operating the recycling program. At some point, it might be useful for the RSC to go down the list of things they want in a program and see if aspects can/should be done without a PRO.

Wrap Up and Next Steps



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In closing, Robin shared that the RSC will continue its deliberations in a similar format with a mix of large and small breakout group discussions for RSC meetings, as well as the ad hoc work happening outside the main RSC meetings. She acknowledged the public comment given about the desire for non-RSC members to listen in on the small group exchanges. She noted Oregon Consensus is responding to RSC members' desires to have small group discussions for more effective and meaningful conversations, and shared that any recommendations for decision-making will come back through the large group public format. Additional next steps included the following:

- Oregon Consensus (OC) will provide a written synthesis of themes that have surfaced through the RSC discussions about EPR.
- OC will work with RSC members and DEQ to determine the next steps to move the EPR conversation forward.
- OC will continue to work with ad hoc groups ahead and thru the next RSC meeting on **July 16, 2020**. The ad hoc groups currently in progress are 'Truth in Labeling', 'Processing - transparency and accountability', 'Generator Facing Anti-Contamination Programming', 'non-EPR Funding options', and 'Post-Consumer Recycled Content Standards'.

With that, the meeting was adjourned at 5:00p.m.