



Recycling Steering Committee

Modernizing Oregon's recycling system, with support from Oregon Consensus

Recycling Steering Committee Meeting

MEETING SUMMARY

December 17, 2019, 9:30 a.m. - 3:30 p.m.

DEQ Headquarters, 3rd Floor Conference Room (700 NE Multnomah Street)

ACTION ITEMS:

ACTION	BY WHOM?	BY WHEN?
<ul style="list-style-type: none"> Draft meeting summary to SC members 	OC	12/24/19
<ul style="list-style-type: none"> Review the Oregon profile summary and flag any concerns with regards to its description. 	ALL	COB 12/20/19
<ul style="list-style-type: none"> DEQ and RRS to follow up with additional data points as possible/appropriate: <ul style="list-style-type: none"> NYC standards or controls Examples of EPR-like programs in Oregon Victor Bell's (EPI Lorax) research on per packaging fees 	DEQ/RRS	ASAP
<ul style="list-style-type: none"> RRS follow up with DEQ to gather information about legislative or other authority changes that would be required to move from current to new scenarios in Oregon 	DEQ/RRS	Scenarios analysis completion

Meeting Attendees:

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

Frameworks Subcommittee Members: Dave Larmouth, Shannon Martin, Kristin Leichner, Michael Wisth (on the phone) and Rosalynn Greene

DEQ Staff: Lydia Emer, Sanne Stienstra, Justin Gast, Peter Spendelow, Steve Siegel, Brian Stafki

Resource Recycling Systems Team: Resa Dimino and Bryce Hesterman

Facilitation Team: Robin Harkless and Amy Delahanty



Recycling Steering Committee

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MEETING SUMMARY:

Welcome and Agenda Review

Robin Harkless welcomed Recycling Steering Committee (RSC) members and invited them to provide brief introductions. Robin shared a main objective for this meeting was to take the next critical step in the frameworks research inquiry, which was for the RSC and Legal and Relational Frameworks subcommittee members to review the suite of straw-person scenarios developed by RRS. She noted the objective is not yet about crafting the preferred options, as that will happen in the spring. However, the RRS team has worked hard to incorporate the elements RSC members suggested to date, and seek guidance on which scenarios to study that will produce a robust enough array of options for consideration by all of RSC members and others at the January 31 Information Session. Robin stated that at the end of the meeting, RRS will also ask for input from the group to confirm the level of detail useful for the Information Session review. She also relayed that responses to questions posed by RSC at its December 3rd meeting which were able to be answered by DEQ and RRS were sent in a document that was circulated ahead of the meeting. Robin noted that while the group will not spend time reviewing the document during today's meeting, the information was there for reference and use in future discussions as deemed useful by SC members.

Draft Equity function for analysis

David Allaway (DEQ) shared that in the RSC approved [list of desired functions](#), Metro and others proposed a function centered around equity (*Function F: Designs for equity – examining the burdens and benefits across the state*). David stated the RSC did not have much conversation about what Function F meant in great detail, but noted there was an interest expressed among the RSC to revisit it in the future. He acknowledged that as RRS undertook the frameworks research, additional clarity from the RSC regarding the meaning of the equity function for the purposes of evaluation was needed. DEQ proposed two additional dimensions to the equity function for the RSC's consideration and approval, in addition to their current criteria around access: 1 - "who is impacted?" (Whether the frameworks cause disproportionate impacts to certain communities, e.g. environmental justice burdens, wages, etc.); and 2 - "who benefits? (Do any of the scenarios disproportionately concentrate benefits for a certain community / group?).

Agreement: The SC approved of the criteria as proposed for the purposes of the analysis of scenarios. Following this, Bruce Walker expressed a desire for a broader and deeper look at racial equity, and how those considerations will be carried forward through the RSC's deliberations. RSC members agreed they wanted to continue this discussion beyond the analysis and the facilitation team committed to carrying this topic forward into a future SC meeting.

Scenario Overview

Analysis Approach: The RRS team reviewed their approach to scenario analysis and how they would present the information to the broader stakeholder network on 1/31 in addition to details



Recycling Steering Committee

Modernizing Oregon's recycling system, with support from Oregon Consensus

that would be available to the RSC. The group revisited the approach at the end of today's meeting (See **January 31st Information Session Presentation** for more discussion).

Oregon Framework: RRS then shared a brief review of the Oregon system using the same style of infographics used to describe the other 10 Frameworks at the 12/3 meeting. It was noted that DEQ and ORRA, along with other members of the RSC, have been working through an iterative process to refine the Oregon framework profile narrative and were ready to finalize it per a final review by the RSC. **(The document was sent out on 12/18 and the RSC was given until COB Friday 12/20 to review the document.)** Members of RSC noted that the flow diagram misrepresents the funders of Bottle Bill to be producers, when in reality they are distributors. As this was an important point for some, RRS agreed to refine the diagram accordingly.

Five Initial Scenarios: RRS presented the initial draft scenarios (*see Scenario Deck PPT for details -- sent out following today's meeting*). RSC and Frameworks Subcommittee members were invited to ask questions throughout the presentation (a summary of those questions and answers can be found in **Appendix A**), while also having time in small groups to discuss what the scenarios mean and where their needs and interests show up in the straw-person scenarios.

Public Comment

During small group discussions and presentations, the group paused for public comment. Dave Claugus (Pioneer Recycling) asked the following questions:

- **Question:** How does contracting with MRFs work on a practical level in Scenarios 2 and 3? How do collectors decide which processing facility to take materials to? What would that coordination look like?
 - **RRS Response:** In either case, the contracting entity would issue an RFP for recyclables within the state. A MRF would respond to provide cost and a zero tip fee arrangement. Either the SMMA (see below regarding elimination of the SMMA) or PRO would pay the MRF whatever processing cost necessary for them to accept materials anywhere within the state. Regarding how materials are coordinated, those details would need to be flushed out further. An RFP could be regional, or have the SMMA in both scenarios do some of the material direction as part of their role in system integration.
 - **DEQ response:** One approach is to put out an RFP that includes a variable bid price in 10k ton increments. That allows SMMA to choose blocks of recycling processing that are most cost effective for the state.
- **Question:** Can someone explain the mechanics of no charge at the gate?
 - **RRS Answer:** This is done in other parts of the country and usually there's a formula. We can share with you additional information on how this is done in other areas if it's helpful.

Scenario Overview and Refining -- Continued Discussion



Recycling Steering Committee

Modernizing Oregon's recycling system, with support from Oregon Consensus

Financing Approaches: RRS reminded RSC members they will not be doing a full cost analysis of each of the refined scenarios, as it takes a considerable amount of time and is outside the scope of their contracted work. Instead, they will provide the RSC with a list of financing options for Scenarios 1 & 2 with accompanied pros and cons for members to use during deliberations. Robin invited RSC members to provide input on financing options they would like to be included for evaluation. The following list was generated by the group:

- Tip fee surcharges (on waste disposed)
- Recycling fees (fees on the existing recycling system): 1. Disposition of recyclables through recovery; and 2. Recycling variable charge
- Generator fees
- Advanced recovery fee as paid by consumers
- Statewide contamination fee

During the brainstorm **there was agreement** to remove legislative appropriations (General Fund) financing option as it was deemed unrealistic. Some of the other ideas could be legislatively directed but not come from General Fund dollars. RRS asked whether the research should consider a cost-share scenario for Scenario 4, or assume the PRO would pay 100%. **The group agreed** in the interest of time to assume full financing by the PRO.

Following this, RSC members were invited to discuss whether the suite of five scenarios was a broad enough range for study; if the configurations of elements within each scenario make sense together; and whether there were any rearrangement of elements or suggested changes to the scenarios for study. The following were **suggested and agreed to by RSC members:**

- **Scenarios 2 & 3:** No gate fee plus transfer and reload fee of getting it from the city/community to MRF.
- ***Scenario 2: Remove SMMA and characterize as strong state oversight/enhanced state government-management scenario with MRF contracting.** Includes an Advisory Committee to the agency/entity.
- ***Scenario 3: Remove SMMA and characterize as stronger state oversight / Full producer-funded and coordinated downstream EPR with municipally managed (and rate-payer funded) collection.** Includes an Advisory Committee to the agency/entity.
- **Overlay for all:** Show the differentiation in how end-market demand is created in each of the five scenarios. Include the mechanisms for supporting end-market development e.g. how it would interact with end markets and how market demand would be supported by additional materials in a region.

*There was recognition among the full group that creating a SMMA (or similar structure) would not be realistic nor necessarily add value. Many group members shared concerns that an additional layer of bureaucracy was not necessary and that the authorities described for the



Recycling Steering Committee

Modernizing Oregon's recycling system, with support from Oregon Consensus

SMMA in the scenarios could all be housed within DEQ along with a Stakeholder Advisory Committee.

With the above refinements, the five straw-person scenarios were approved to move forward to be analyzed by RRS.

January 31st Information Session Presentation

RRS solicited input from the RSC and Legal and Relational Frameworks Subcommittee members regarding the desired level of detail and information to be presented at the January 31 Information Session. Robin reminded the group that the Information Session's primary audience is the RSC and that additional stakeholders were being invited to accommodate the RSC's desire for them to have some direct interface with the RRS team and the analysis. One RSC member wondered whether RRS should present a subset of the most "viable" options at the stakeholder session, rather than the full suite of scenarios. They felt that delving into five scenarios may take a longer amount of time and level of detail than what has been slated or needed for the session. Others felt it was important to present all five, and provided suggestions to simplify the presentation to address the concern. The suggestions were as follows:

- Use the infographics in the PPT and have as a handout in the stakeholder packets.
- Include the list of approved functions as background reference material. Make reference to the functions as an important context-setting piece.
- Have the PPT slides printed out and in color.
- Simplify the roles and responsibilities of each of the scenarios and incorporate them into a single slide or handout. There was a suggestion to keep the similarities in grey and the key differences in red.

Next Steps

David Allaway and Robin reviewed the proposed agenda topics for the January 17 RSC meeting, with a commitment to get an agenda and materials out in advance of the meeting. The current topics are as follows:

- (Tentative): Review preliminary results of the infrastructure research and case studies (collection, and processing if available)
- Follow up equity discussion
- Final prep and feedback on presentation format for January 31 Information Session
- (Tentative): Review draft post-Information Session survey questions



Recycling Steering Committee

Modernizing Oregon's recycling system, with support from Oregon Consensus

Appendix A: Scenarios Questions and Comments

Scenario 0 Baseline: State Guided Local Government Contracted System

- *General Comment:* When we talk about the bottle bill, it's not producers that are financing it. It's distributors. It's not a typical EPR program.

Scenario 1:

- *Question:* Do optimal materials encompass downstream transparency?
 - *RRS:* This comes in through the MRF reporting piece. How that ends up depends on the regulatory approach to putting it together.
 - *DEQ:* optimal materials are around where we want the materials to go e.g. mechanical versus chemical recycling. Downstream might also show up in enforceable standards.
- *Information Request:* Can you send us the NYC standards or controls?
 - *RRS:* Yes.
- *Question:* What is a waste generator fee?
 - *RRS:* This is one of the tools that's used in Tompkins County and in some Vermont districts. It generates specific funds for solid waste programs that are not buried in property taxes. It is viewed as a separate fee, but paid by everyone who pays property taxes.
- *Question:* Can you define 'program costs' with regards to reporting requirements?
 - *RRS:* Local governments might have reporting requirements about franchise fees and what they cover. This would be a regular requirement so you know what the system costs are within the state.
- *Question:* What would be appropriate in terms of MRF reporting?
 - *RRS:* There's flexibility around that. If it's not explicit, it's something for the RSC to discuss. We could flag some of the options.
- *Question:* Regarding reporting program costs at collection and material flows. Is this solid waste as well?
 - *RRS:* our charge was only researching the recycling system so that is all we considered for this scenario.
- *Question:* When you say additional funding source, wouldn't those also be coming from the consumer?
 - *RRS:* Some might. In any of these scenarios, it is assumed that more funding will be required, and therefore additional funding sources. There are choices around that.
- *Comment:* Currently each watershed has a list of principle recyclables. For some it's extensive, for others it's intensive.
 - *RRS:* One of the elements that came out of the analysis was that many frameworks that scored highly were due to using a consistent statewide list. We are suggesting you consider that, but it is ultimately the RSC's decision whether and how to build this element in.



Recycling Steering Committee

Modernizing Oregon's recycling system, with support from Oregon Consensus

Scenario 2

- *Question:* What is a no gate fee authority?
 - *RRS:* Part of this new funding source would be dedicated to contracting with MRFs, meeting their processing costs, and accepting materials with no gate fee.
- *Question:* Have you put thought into how those costs would be determined?
 - *RRS:* We haven't put thought into that, but we can. In Onondaga County, it's by RFP with the ability to have further negotiation.
- *Question:* Is there any sort of subsidy for transportation costs?
 - *RRS:* No, because they are only one county, but it's something you could look at. They have a zero gate fee, but perhaps for distant communities, you might have a reimbursement that could cover transportation costs.
- *Question:* Is part of the deal between SMMA and MRF around flow control, a guaranteed volume of material?
 - *RRS:* I don't think we envisioned a flow control approach. It would be economic flow control. At collection, or local government, they would choose the MRF that is closest and most convenient. The idea is the agreement between the local government and private collector would direct that they bring the material to an approved facility.
- *Question:* Is the capacity guaranteed? Or guaranteed that if you deliver your material, you wouldn't be shut out?
 - *RRS:* Yes and some form of overflow requirement.
- *Question:* Is eco modulated fees included as an additional funding source?
 - *RRS:* We should have that conversation. We didn't include that in additional funding source, but it's certainly possible.
 - *Comment:* You could look at a producer fee.
- *Question:* How is the SMMA established? How would they be appointed? How would it work with DEQ?
 - *RRS:* I imagine you would need authorizing legislation. The legislation would lay out the details about who is on the board and how they get appointed.
 - *DEQ:* this would likely function similar to a commission with members appointed by the legislature. It's unlikely the legislature will allow this commission the ability to ban products from commerce; direct local govts to perform certain actions, or engage in multi-million dollar contracts.
- *Question:* Would they be advisory to the EQC?
 - *RRS:* This would be a regulatory authority. Some similarities with how they would be comprised, but different organizations.

Scenario 3

- *Question:* How would eco modulated fees set by PRO work? Wouldn't it be more appropriate to have the SMMA do fee setting?



Recycling Steering Committee

Modernizing Oregon's recycling system, with support from Oregon Consensus

- *RRS*: Typically the role of a PRO is to set fees, gather funds from obligated producers, and pay the costs of what they are supposed to cover. Through rules, the state could lay out its goals and objectives (or requirements) of the eco modulated fees. The PRO, as part of its program plan, would submit it to DEQ. The program plan would say how they intend to do eco modulation and DEQ would then ensure that those program plans are consistent with legal requirements.
- *DEQ*: one reason the PRO sets the fees is that PROs are legally on the hook to deliver the services. They feel like it is important they set the fees because they have to be sufficient to generate the services they are obligated to provide. It would be a challenge if someone else was setting the fees.
- *Question*: In a program like this, what is the role of Metro and other local governments?
 - *RRS*: There are three scenarios that have different options for local governments.
- *Question*: How is it different in Oregon with e-waste or paint care?
 - *DEQ*: In both e-waste and paintcare, you have a PRO. They finance and operate the recovery of those materials. In paintcare, they charge, collect and fund the system. DEQ isn't involved in that.
- *Question*: Is the SMMA necessary as part of this, or is it optional?
 - *RRS*: Anything is optional. An SMMA is not integral to functioning. We thought it might be useful, or a more nimble coordinating body than DEQ, in terms of managing producer/government responsibility. We did feel like someone needs to serve as the integrator and thought it was appropriate to have an entity focused on coordinating those two parts of the system. As an alternative, the VKS in Austria has an office within their regulatory agency who is responsible for integrating the system.
- *Question*: Is there a direct fee paid by consumers to the producers?
 - *RRS*: There's not a direct fee paid by consumers because the assumption is it's an internalized cost and rolled into the cost of the product.
 - *Comment*: They have not found that if you are living in a Canadian province with EPR, you pay more for your good. It's internalized at some level. We/globally are essentially paying for the BC model.
- *Question*: Has anyone shown the EPR fee in packaging?
 - *RRS*: It's internalized.
- *Comment*: Paint care shows up. There are ways to make fees apparent.
 - *RRS*: If you wanted to consider that route, it has not been done for packaging EPR. The reason being because the cost on a per-package basis is so small it's not traceable. We can share some of that data. EPI Lorax shows the per package costs for different packages and that data is available. Currently, producers have not seen a value in putting individual (per-package) fees onto receipts at point-of-sale. The reason paint and mattresses have a fee is because the packagers wanted to see it.



Recycling Steering Committee

Modernizing Oregon's recycling system, with support from Oregon Consensus

- *Comment:* I don't want us to be misleading that there is no cost to the consumers. It is the best way to drive behaviors.
- *Comment:* The intent here is that if it's not broken let's not fix it. This is bringing in additional resources to help the back end and seems to be an area where there are gaps in the system.

Scenario 4

- *Question:* Collection costs are paid or reimbursed by PRO, would that include curbside and getting materials to MRFs?
 - *RRS:* Yes, it would cover costs through the processing and marketing chain.
- *Question:* Does the PRO have a role in what local governments do?
 - *RRS:* They don't have a direct role. In Manitoba, there are contractual requirements, such as there is a packaging municipal group that works out the terms of agreements. In Quebec, there's less of that. Local governments run their programs as they want to. Quebec guards against Cadillac programs and the oversight agency takes all municipal cost data, runs analysis, and creates a band of reasonable reimbursements.
- *Question:* In the event the local government determines it wants to move all trucks to CNG, would the PRO have a role?
 - *DEQ:* If the decision to change to CNG trucks was not part of the PRO's obligation, it would not have a role, but local governments could still choose to require their collectors to switch to CNG trucks and reimburse them through the traditional rate-setting process (waste generators would pay).

Scenario 5

- *Question:* What is a typical term length for a PRO?
 - *RRS:* Typically PROs do not come with terms, they are long term but they do have plans that get revised. PRO program plans are usually revised every five years.
- *Question:* So if the Legislature changes its mind, how could they reverse their decision?
 - *RRS:* They would have to make a change in the law.
 - *DEQ:* The Legislature can make changes. You can also include a mechanism through statute or rules to report back to the Legislature, agencies, and other stakeholders, to build in accountability and transparency.
- *Question:* What are other ways to create stability if this change is made?
 - *Comment:* RRS can offer how this is done in other places, but not how it should be done here, or what the Legislature could do. RRS intends to follow up with DEQ to determine legislative or other changes that would be required to implement any of the scenarios, and include this in their analysis.



Recycling Steering Committee

Modernizing Oregon's recycling system with support from Oregon Consensus

Recycling Steering Committee Meeting

AGENDA

December 17, 2019, 9:30 a.m. to 3:30 p.m.

DEQ Headquarters, 3rd floor conference room

700 NE Multnomah Street, Portland OR – please sign in on the 6th floor when you arrive

Join Zoom Meeting: <https://zoom.us/j/2348602747>

Dial: 669-900-6833

Meeting ID: 234 860 2747

Meeting Purpose: The Recycling Steering Committee (RSC) understands straw-person framework scenarios drafted by the contractor (RRS), to examine different potential legal and relational elements to modernize Oregon's recycling system. The RSC reaches agreement on any changes to those five frameworks for inclusion in the next round of in-depth evaluation by the RRS research team.

9:30 am Welcome, Introductions, Housekeeping, Frame for the Day

- Brief welcome and frame for today; participant introductions.
- Follow up from December 3rd Frameworks session: Reminder of additional questions answered and additional elements for consideration in scenarios.
- Quick check on equity function for analysis.

10:00 am Scenarios Review: Resa Dimino and Bryce Hesterman, RRS

- Quick review of Oregon baseline framework for presentation at January 31st stakeholder information session.
- The RRS research team will share their approach to the next round of scenario analysis, then walk the group through a suite of straw person scenarios that combine new elements of governance, financing and operations with elements of Oregon's current system.
- The RSC will have an opportunity to ask clarifying questions after the presentation of each scenario. RSC members will also be invited to dialogue in small groups to help each other make meaning of the scenarios and discuss how they 'sit' with each other.

11:30 am Break

Noon **Scenarios Review Continued (Working Lunch)**

1:30 pm **Public Comment**

(NOTE: Public comment will occur after the RRS research team presents all draft scenarios -- 15 minutes total will be allowed and depending on number of public who want to comment, time will be managed by the Facilitator to accommodate all who want to make a comment.)

1:45 pm **Break**

2:00 pm **Scenario Refining***

- SC members will continue to discuss the five scenarios to determine: Is this a broad enough range for study? Do the configurations of elements within each scenario make sense together? If needed/as desired, there will be an opportunity to develop any suggested changes to the scenarios for study (new element or different configuration of elements within a scenario).

2:30 pm **Approve Suite of Scenarios for Study and Next Steps for Analysis**

- Review proposed changes and check for approval by group.
- Approve suite of scenarios for study.
- RRS will review the next steps for the analysis and expectations for January 31st stakeholder information session.

3:20 pm **Wrap Up / Next Steps**

- Identify action items and next steps expectations.
- Next meeting dates: January 17th (RSC) and January 31st (Stakeholder Information Session).

3:30 pm **Adjourn**

***Scenario Review/Refine/Proposal**

- 1) Scan the breadth of five scenarios and discuss: Does this cover a broad enough range for study, so that RSC members can best understand the opportunities and limitations to different governance, financing and operational elements that would modernize Oregon's recycling system to meet established 2050 Vision-related goals?
- 2) Are there different configurations that members should examine? Why?
- 3) Be prepared to suggest the addition or change to the draft scenarios, and rationale for change to get approval from the full RSC.

TO: DAVID ALLAWAY, OREGON DEQ
FROM: RESA DIMINO, BRYCE HESTERMAN, RRS
DATE: 12.10.2019
RE: INITIAL RECOMMENDATION OF FIVE FRAMEWORK SCENARIOS

This memo summarizes the project team's initial recommendation of five framework scenarios for in-depth consideration in future phases of the project. The scenarios outlined below combine high-performing elements from each of the frameworks identified during the evaluation process into more comprehensive framework scenarios for consideration. They also incorporate elements that currently exist within the Oregon framework and elements recommended by the recycling steering committee (RSC) following on the December 3 meeting. The intent is to develop a range of scenarios that each improve upon the baseline Oregon framework based upon the desired functions and criteria defined by the RSC and analyzed in the framework evaluation. These scenarios seek to fulfill the defined functions yet may approach the function in different ways.

The scenarios are organized into two groups. The first group includes scenarios that are primarily managed and implemented by local government (LG) entities. The second group includes scenarios that engage producers through extended producer responsibility (EPR) policy. In each group, the details of each scenario are described. A further breakdown of roles and responsibilities are presented in the table below. The project team looks forward to discussing the scenarios with DEQ and the Steering Committee.

Group 1: Government Managed Programs

The scenarios in Group 1 combine high-scoring elements of the frameworks that are managed and implemented by the public sector. Both of the scenarios in this group require one or more funding mechanisms. RRS assumes that the current rate-payer financed collection systems, and its utilization of pay as you throw (PAYT) pricing, will continue, and that additional resources needed will be drawn from any one, or a combination, of the following in order to ensure sustainable financing (Function C):

- Tip fee surcharge
- Waste generator fees (on residential and / or commercial properties)
- Legislative appropriation

Scenario 1: Enhanced government managed scenario

This scenario captures the elements of Frameworks 1 and 3, both of which focus on high-performing state and local government programs. The elements selected were found to have contributed to the frameworks' high ratings related to functions that address broad-based service provision (Function F), a common suite of materials (Function K), policies that drive appropriate recycling behavior along the value chain (Function J, Function L, Function M, Function O), strong education (Function I), further define responsibilities of processors (Function G) and reporting and transparency (Function P).

Key elements of this scenario include:

- Strong statewide policy, including:

- Convenience Standards / Policies (Universal recycling / parallel access requirements) (Function F, Function M)
- Mandatory variable rate pricing for services (PAYT) (existing) (Function J, Function M)
- Statewide list of recyclables designated for collection, and banned from disposal (Function A, Function K)
- Performance standards (material specific recycling targets; inbound/outbound contamination targets) (Function H, Function L, Function M)
- Equity standards (community benefit standards for processing facilities; minimum end market EHS standards) (Additional element of Function F; Function O)
- Materials recovery facility (MRF) registration / certification and reporting requirements, including downstream destinations (e.g., domestic, export, broker) (Function G, Function O, Function P)
- Local government reporting requirements, including program costs and material flows (Function P)
- Strong local government policy, including:
 - Local governments ensure contract holders / franchisees use MRFs that meet state certification / reporting standards (Function G, Function N, Function P)
 - Engaging in robust public education (Function I)
- Funding for markets and infrastructure (Function C)

Scenario 2: Enhanced government managed scenario with sustainable materials management (SMM) authority

This scenario includes all of the elements of Scenario 1 with the addition of the high-performing elements of Frameworks 2 and 4 (state contracting of MRFs and SMM authority). The elements added in this scenario contributed to the framework's high ratings related to functions that address system optimization (Function A) integration (Function D), measurement and goals (Function H) and accountability (Function P). It also addresses processing and market development (Function C, Function N).

In addition to the elements above, this scenario includes the following key elements:

- Creating a SMM authority, governed by a multi-stakeholder board, with the following responsibilities:
 - Statewide evaluation, planning, and analysis, including research projects, LCAs, and prioritization of products and packaging to be targeted for reuse, reduction, and recycling and decisions about optimal-end-of-life (EOL) pathways for materials (Function A, Function D)
 - Strategic infrastructure planning and coordination of public grantmaking and other investments, including public-private partnerships (Function C, Function D)
 - Regulatory authority to address products and/or packaging as it relates to the recycling system, including sales and disposal bans (Function A)
 - Regulatory authority to promote system consistency and cohesion (e.g., ensure consistent products/packaging types are addressed, uniform reporting, and data transparency) (Function D, Function H, Function K)
 - Oversight and / or execution of market development demonstration projects to further SMM (Function B, Function C, Function D)
 - Contracting with MRFs to provide consistent, low- or no-cost recycling services to local governments and set outbound contamination standards (Function C, Function N, Function P)

Group 2: Extended Producer Responsibility (EPR) Scenarios

The project team recommends consideration of three EPR scenarios that vary in the extent of producer funding and operational responsibility. In this group, it is recommended that all of the frameworks include the following elements:

- Performance standards (material specific recycling targets; inbound/outbound contamination targets) (Function H, Function L, Function M)
- Convenience standards (% of population served) (Function F)
- Equity standards (community benefit standards for processing facilities; minimum end market EHS standards) (expanded scope of Function F; Function O)
- Defined scope of materials for which producers are obligated (packaging and printed paper (PPP) or PPP and like products (aluminum pie plates, single use plastics, etc.)) (Function K)
- Defined material specific optimal EOL pathway (recycling, waste to energy, disposal) (Function A)
- Responsibility to include all EOL pathways and litter management (Function A)
- Common list of items accepted in recycling (Function K)
- Broad scope of generators (single-family, multi-family, commercial, public space) (Function F, Function M)
- Education and outreach requirements, including an equity lens to reach all populations (Function I, Function J)
- Reporting requirements to ensure transparency in costs and materials flow (Function P)
- Mechanism for investment in infrastructure and markets (Function A, Function B, Function C)
- Eco-modulated fees to incentivize recyclability and upstream impact reduction (Function E)
- Requirement and/or incentives focused on recycled content (Function C, Function E)
- Defined composition of producer responsibility organization (PRO) board and other provisions such as, whether PROs are required to be non-profit or whether a single PRO is mandated or whether a competitive model is preferred (Function G)
- Defined process for state to review, negotiate and approve program plan (Function H, Function P)

Each of the scenarios in this group involve one or more producer responsibility organizations that would play key coordination and financing roles. In each scenario, the PRO(s) would:

- Develop a program plan that demonstrates how it will meet core program objectives and standards, and achieve approval of that plan by an oversight agency (Function A, Function D)
- Set and collect fees from producers that are sufficient to fulfill the PRO obligations under the relevant scenarios (Function C)
- Report on fee structure and material flows (Function C, Function N, Function O, Function P)

Scenario 3: Full producer-funded and coordinated downstream EPR with municipally funded and managed collection. SMMA overlaid to provide system integration.

This scenario would include the highest functioning elements of Frameworks 4, 5 and 7. The scenario is designed to leverage the current strong points in the Oregon Framework around collection (Function L) and education (Function I), while adding elements related to system finance around processing and marketing (Function C), shared responsibility (Function G), optimization (Function A), resiliency (Function B), processing and downstream flow (Function N, Function O) and system integration (Function D). In addition to the elements above, key elements would include:

- Producer Responsibility Organization(s) financing and coordination of post-collection system (from intake at MRF through sale to end markets). Responsibilities include:
 - Funding the processing, material marketing and necessary investments such that collectors would have a guaranteed recycling outlet with no gate fee for delivery of program materials to participating MRFs (Function B, Function C)
 - Contracting with or establishing processing and marketing capacity necessary to manage materials (Function A, Function N)
 - Reporting on fee structure and material flows (Function P)

- Strong, ratepayer funded local government management of collection system without any reimbursement. Responsibilities include:
 - Providing or contracting for recycling collection services (Function C, Function L)
 - Executing education, outreach and enforcement efforts (Function I, Function J)
 - Reporting on costs and material flows (Function P)
- SMMA responsible for:
 - Integrating system components and PRO and government plans (Function D)
 - Researching and providing guidance on LCA and optimal EOL pathways (Function A, Function H, Function E)
 - Providing a venue for discussion of system needs and issues (Function A, Function B, Function H)
 - Approving the PRO program plan (Function H, Function P)

Scenario 4: EPR with either partial or full system financing provided by producers and reimbursed to local governments who manage collection and education.


This scenario would include the highest functioning elements of Frameworks 6, 8 and 9. The scenario is designed to leverage the current strong points in the Oregon Framework around collection (Function L) and education (Function I), while adding elements related to system finance around processing and marketing (Function C), shared responsibility (Function G), optimization (Function A), resiliency (Function B), processing and downstream flow (Function N, Function O) and system integration (Function D). This differs from Scenario 3, in that the financing of collection is shifted to producers, along with financing for processing and marketing. The integration role would fall to the PRO and a coordinating arbiter entity, rather than SMMA.

In addition to the elements above, key elements of this scenario would include:

- Producer responsibility organization(s) providing full or partial financing of the system. Responsibilities include:
 - Partially or fully funding programs and necessary investments for which they are obligated (Function B, Function C)
 - Reimbursing municipalities for a portion or entirety of the costs of recycling education, collection and processing (Function C)
 - Providing educational tools and resources (Function I)
- Strong local government management of the collection system, with some or all of the cost to be reimbursed. Responsibilities include:
 - Providing or contracting for recycling collection services (Function L)
 - Executing education, outreach and enforcement efforts (Function I, Function J)
 - Reporting on costs and material flows (Function P)
- Coordinating entity or authority in position as arbiter (governmental or quasi-governmental). Responsibilities include:
 - Collecting cost data from municipalities and determining PRO financial obligation (Function D, Function G, Function P)
 - Providing a venue for discussion of system needs and issues (Function A, Function D, Function H)
 - Approving the PRO program plan (Function H, Function P)

Scenario 5: EPR with full producer financing and system coordination

This scenario would include the highest functioning elements of Frameworks 7 and 10. This scenario is designed to leverage the strength in elements related to system optimization (Function A), resiliency (Function B), finance (Function C), integration (Function D), shared responsibility (Function G), collection, processing and downstream flow (Function L, Function N, Function O). This differs from Scenarios 3 and 4,



as the operational coordination and responsibility is shifted to producers along with responsibility for system financing. The integration role would fall to the PRO or PRO coordinating entity if there are multiple PROs.

In addition to the elements above, key elements would include:

- Producer responsibility organization(s) financing and managing the entire system. Responsibilities include:
 - Funding the entire recycling program and necessary investments (Function C)
 - Contracting with municipalities, collection service providers, and processors to implement the program (Function D, Function I, Function L, Function M, Function N, Function O)
 - Provide education and outreach tools (Function I, Function J)
 - Reporting on costs, fee structure and material flows (Function P)
- Opt-in option for local governments to provide collection services to the PRO(s) on a contract basis, and if desired (Function G, Function L)
- If multiple PROs: coordinating entity or authority to act as clearinghouse assigning PRO responsibilities (Function D, Function P)

Scenario Comparison Table

The following table is intended to map the various aspects of each scenario within the pillars of Governance, Finance, and Operations. The intent is to demonstrate the extent to which the scenarios share specific features and where they differ.

Pillar	Component	Scenario 1 Small Tweaks	Scenario 2 SMMA Overlay	Scenario 3 Downstream EPR	Scenario 4 EPR Finance	Scenario 5 Full Integrated EPR
Governance	Planning	Local Government (LG) develops plan for collection and post-collection.		LG develops plan for collection / PRO develops plan for post-collection.	PRO develops program plan for collection and post-collection.	
			SMMA coordinates local plans.	SMMA coordinates between local plans and PRO plan.		
		SMMA executes statewide evaluation, planning and analysis, including: <ul style="list-style-type: none"> • Research projects • LCAs • Prioritization of products and packaging to be targeted for reuse, reduction, and recovery • Strategic infrastructure planning • Coordinating public grantmaking and other investments, including public – private partnerships 				

Pillar	Component	Scenario 1 Small Tweaks	Scenario 2 SMMA Overlay	Scenario 3 Downstream EPR	Scenario 4 EPR Finance	Scenario 5 Full Integrated EPR	
Governance		State Regulator sets standards and reviews and approves plans, based on compliance with those standards					
	Transparency, Oversight and Enforcement	State Regulator or SMMA requires and collects transparent reporting of material flow at all stages (collection, processing, end market) and of costs where appropriate; provides oversight and enforcement.					
					Multi-stakeholder advisory committee.		
	EOL Pathway	SMMA, DEQ and/or PRO develops material specific LCA database, defines suitable EOL pathway for each material based on LCA.					
	Standards	Statute and / or regulation establishes and DEQ enforces performance and convenience standards / targets for collection, processing and end markets, including material specific recycling rates, and overall recycling rates.	SMMA sets performance and convenience standards / targets for collection, processing and end markets, including materials list, material specific recycling rates, overall recycling rate, inbound and outbound contamination and end market standards.		Statute and / or regulation establishes and DEQ enforces performance and convenience standards / targets for collection, processing and end markets, including material specific recycling rates, and overall recycling rates.		
		LG ensures standards are met around education, collection, processing and reporting and that only processors and end markets are used that meet the standards.	LG ensures standards are met around education collection and reporting; PRO ensures standards		PRO ensures standards are met around education, collection, processing, end markets and reporting.		

Pillar	Component	Scenario 1 Small Tweaks	Scenario 2 SMMA Overlay	Scenario 3 Downstream EPR	Scenario 4 EPR Finance	Scenario 5 Full Integrated EPR
Governance				are met around processing, end markets and reporting.		
	Governance Policy Tools	<ul style="list-style-type: none"> • Universal recycling / parallel access requirements • Mandatory variable rate pricing for services (PAYT) (existing) • Statewide list of recyclables designated for collection, and banned from disposal • Materials recovery facility (MRF) certification and reporting requirements, including downstream destinations (e.g., domestic, export, broker) • Local government reporting requirements, including cost and material flows 				
				SMMA given regulatory authority over products and / or packaging as it relates to the recycling system (e.g., sales and disposal bans), and regulatory authority to promote system consistency and cohesion (e.g., to ensure consistent products/ packaging types are addressed, uniform reporting, and data transparency).		
Governance Decision Points	Additional local government policy (public education, contracting through MRF stage).	SMMA board composition and selection process.	Single PRO vs Competitive PRO; Non-profit or for-profit; define board composition and selection process.			

Pillar	Component	Scenario 1 Small Tweaks	Scenario 2 SMMA Overlay	Scenario 3 Downstream EPR	Scenario 4 EPR Finance	Scenario 5 Full Integrated EPR
Governance						
Finance	Primary Source of Financing	Ratepayers	Ratepayers (collection)	Ratepayers / Producers	Producers	
	Additional Sources of Financing	Tip fee surcharge; waste generator fees; legislative appropriation.				
	Fee / Rate Formulation	Rates covering entire program set in LG franchise agreements.	Rates covering collection costs set in LG franchise agreements; SMMA contracts for (and covers costs of) MRF processing.	Rates covering collection costs set in LG franchise agreements. PRO sets base producer fees for post-collection system; SMMA or DEQ sets standards for eco-modulation formula drawing on LCA database.	PRO sets fees for entire system, SMMA or DEQ sets standards for PRO eco-modulation formula, drawing on LCA database.	
	Fee / Rate Assessment	Rates paid by residents as it is currently arranged in baseline scenario.		Rates paid by residents as it is currently arranged in baseline scenario for collection; PRO assesses and collects fees from	PRO assesses and collects fees from producers based on DFE eco modulation formula.	

Pillar	Component	Scenario 1 Small Tweaks	Scenario 2 SMMA Overlay	Scenario 3 Downstream EPR	Scenario 4 EPR Finance	Scenario 5 Full Integrated EPR
Finance				producers for post-collection based on DFE eco modulation formula.		
	Finance Coverage	Consumer rates sufficient to cover collection and education. Additional sources needed to fund processing, infrastructure, litter management, LCA research.		Consumer rates sufficient to cover collection and education. Producer fees sufficient to cover downstream (processing & marketing, disposal, litter management), necessary investments, LCA research. Includes at minimum no direct cost to collector to tip.	Producer fees can be set to fund program cost, either partially or fully.	Producer fees can be set to fund program cost, either partially or fully.
Operations	List of Materials	State sets list of acceptable materials for curbside collection.	SMMA sets list of acceptable materials for curbside collection or other material specific optimal EOL pathway based on LCA research.	PRO recommends, and state approves, list of acceptable materials for curbside collection or other material specific optimal EOL pathway based on LCA research.		

Pillar	Component	Scenario 1 Small Tweaks	Scenario 2 SMMA Overlay	Scenario 3 Downstream EPR	Scenario 4 EPR Finance	Scenario 5 Full Integrated EPR
Operations	Operations Decision Points			Obligated products include only PPP or PPP and like products (aluminum pie plates, single use plastics, etc.) Level of producer funding (100% or a portion)		
	Education and Outreach	LG responsible for education, either directly or through private collector following set requirements.	SMMA provide tools and resources for public education and outreach. LG responsible for executing, either directly or through private collector following set requirements.	PRO provide tools and resources for public education and outreach. LG responsible for executing, either directly or through private collector following set requirements.	PRO responsible for education and outreach following set requirements.	
	Collection	LG contract with private collectors. Must meet any new standards or reporting requirements.			LG contracts with private collectors. LG must meet any requirements set by PRO for reimbursement.	PRO contracts with collector. LG can contract as collection agent and “subcontract” to private collector.
	Processing	LG contracts with, or requires franchisee to contract with, MRF that meets registration / certification /	SMMA contract with MRFs to provide processing services with no gate fee.	PRO contracts with MRF and/or establishes processing and marketing capacity necessary to	PRO contracts with MRF and/or establishes processing and marketing capacity necessary to manage materials.	

Pillar	Component	Scenario 1 Small Tweaks	Scenario 2 SMMA Overlay	Scenario 3 Downstream EPR	Scenario 4 EPR Finance	Scenario 5 Full Integrated EPR
Operations		reporting standards set by DEQ.		manage materials with no gate fee or a minimum floor price to compensate collectors.		
	Infrastructure and End Market Development	DEQ coordinates processing and end market infrastructure investments.	SMMA has oversight of market development projects; coordinates processing and end market infrastructure investment through public/ private partnership.	PRO coordinates processing and end market infrastructure investments from collected fees.		
	Contamination	Allow for contamination surcharge.			Compensation paid to collectors and/or processors by PRO rewards lower contamination as measured through regular third-party audits.	
		Education program requirements include “sorry tag” and other best practices to reduce contamination.				
Coordination	DEQ responsible for system integration and coordination LGs responsible for integration of collection and	SMMA responsible for system integration and coordination.		PRO responsible for system integration and coordination.		

Pillar	Component	Scenario 1 Small Tweaks	Scenario 2 SMMA Overlay	Scenario 3 Downstream EPR	Scenario 4 EPR Finance	Scenario 5 Full Integrated EPR
Operations		processing arrangements.				
Additional Overlays	Coverage	Single-family, Multi-family, Commercial, Public Space				
	Equity	Education related to the system delivered in a culturally competent manner that meets the needs of system users who speak languages other than English. Good neighbor and/or community benefit agreements required to mitigate the impacts of recycling facilities on host communities.				
	Recycled Content	Recycled content requirements set by state legislation.	Recycled content incorporated as a credit in the fee formula in EPR scenarios.			
	Labeling Requirements	State adopt <i>Truth in Labeling Law for Packaging</i> requiring clear and locally relevant product/packaging recyclability labelling and environmental disclosure.	Additional fee assessed for packaging with misleading or false claims and reward clear and locally relevant product/packaging recyclability labelling and environmental disclosure.			
	Disposal Ban	Maintain source separated disposal ban	Ban disposal of all designated recyclable materials.			
	Recycling Networks	Material specific entities for materials not included in statewide list have option to engage in direct channels of recovery through self-funded and managed activity.	Material specific entities for materials not included in statewide list have option to engage in direct channels of recovery through self-funded activity coordinated through SMMA.	Material specific entities for materials not included in statewide list have option to engage in direct channels of recovery through self-funded activity may coordinate with PRO.		

Pillar	Component	Scenario 1 Small Tweaks	Scenario 2 SMMA Overlay	Scenario 3 Downstream EPR	Scenario 4 EPR Finance	Scenario 5 Full Integrated EPR
Additional Overlays	Market Development Center	Additional entity focused on Recycling Market Development that can work separate from or in conjunction with other framework market development activities.				