



Recycling Modernization Act: Commingled Recycling Processing Facility Technical Workgroup Meeting #9 Summary

Jan. 22, 2024: 12:00 p.m. to 3:00 p.m. (Pacific)

Schedule

Noon	Welcome Justin Gast with DEQ opened the final workgroup meeting with a welcome and an overview of the agenda, highlighting the Crowe study review as the main focus and sharing what two topics would be discussed later in the meeting.
12:05 p.m.	Project updates Cheryl Grabham, manager of the Product Stewardship program at DEQ thanked the workgroup members for their time and technical expertise, sharing how their help and going along with the deep inquiry nature of this project has bettered DEQ's rulemaking process. To Crowe, she thanked them for giving the quantitative data to move forward and helping DEQ set up the program right.
12:10 p.m.	Crowe LLP Wendy Pratt with Crowe continued the appreciation and thanked DEQ for being collaborative, and especially to all the workgroup members who worked with them by sharing their information and opening their doors to them. She mentioned this is a first of its kind report and it couldn't have happened without their help and cooperation. Next, Jason Chan presented updated information for both the Processor Commodity Risk Fee and the Contamination Management Fee, such as base costs and anticipated program costs, with costs broken down by categories. Erik Nylund went over the reasonable financial return and gave an example for the PCRf calculation. Afterwards was an overview of the anticipated program costs by Jason. First was a comparison of APC costs over three points in time (2025 and 2026 programs years and the program years for 2027 and 2028) for both fees and a table showing a more qualitative description of the changes over the three points in time. A brief overview of capture and contamination rates was given, whereas the living wage and supportive benefits work, additional labor, equipment costs and general costs all had more updates to the numbers to be shared. Here the group asked for clarification around why certain numbers were flatlined for calculations, or why the anticipated costs were so high, which was due to the big investments that will need to be made in the near future, but that much like a weebles-wobble toy, the costs will find equilibrium in time.

Translations or other formats

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The group was then presented with some options that both Crowe and DEQ were looking for feedback and opinions on. The first discussion was around the statutory language that identifies two sources for determining the Average Commodity Value for “single family” and “all other sources” and whether two different methods or one method would be sufficient. Crowe also provided an example as to why a monthly rolling ACV would be more preferable than a 90-day rolling average. Workgroup members expressed support for one ACV method and a monthly ACV calculation.

David Allaway with DEQ shared with the group before break yet another way that the costs and fees could be adjusted either before or with the rulemaking in November, if new data comes out supporting those adjustments.

2:00 p.m.

Discussion- Reload facilities/Limited sort facilities/CRPFs

Justin opened this discussion by making it clear that the thoughts conveyed in the slides are DEQ’s current thinking, nothing is set in stone, and DEQ is still receiving information that may alter its thinking. He covered a definition for Limited Sort Facilities and asked the group for questions and opinions, which the workgroup members had none of at the time. He then transitioned into giving an update on additional language used for the definition of “commingled.” The additional language would allow for local governments who have expressed a desire to implement a dual-stream system to make sure that certain materials collected count as commingled. Another reason for updated language is to help separate what a commingled recycling reload facility is from what a commingled recycling processing facility is, beyond the definitions provided in the law. From there it was shared with the group that if a CRRF removes any material from the commingled stream and sends it to an end market, then they will be required to obtain a solid waste permit (and meet all permit requirements), whereas if a CRRF is simply consolidating and transporting the commingled recycling it receives from service providers providing an opportunity to recycle, they would not need to obtain a permit for that.

The discussion started off with a question on whether CRRFs that are moving materials to market would be held to responsible disposition requirements or not. DEQ is currently exploring whether they have the authority to require that of CRRFs.

Some questions were asked around how the transportation cost reimbursement would work with certain kinds of facilities and transporting materials. For instance, if there is an end market within 10 miles of a CRRF, that cost of transportation would not be covered. But, if the CRRF sent materials to be processed by a CRPF that is 55 miles away, that cost would be covered. DEQ noted that would be correct, as the transportation cost reimbursement covers the cost of transporting covered products from a recycling depot or recycling reload facility to a commingled recycling processing facility or a responsible end market, whichever is nearer and with capacity to accept, as long as the distance transported is greater than 50 miles.

After that, a workgroup member and current reload facility operator asked if a permitted CRRF would be held to the living wage and supportive benefits requirement for their employees, to which they will not be required to. The living wage and supportive benefits requirement is strictly for CRPFs. From there the discussion circled back to the

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	transportation cost reimbursement and more clarification around how and who will be eligible for that.
2:30 p.m.	<p>Discussion- Outbound contamination rate</p> <p>Justin opened this part of the meeting by revisiting feedback from end markets regarding the bale contamination they see, highlighting that contamination can be hard to manage even at a rate of 5%, by weight. One workgroup member raised a question around contracts between processors and end markets that have made an agreement around certain kinds and amounts of different materials ending up in material specific bales, such as LDPE lids being desired in HDPE bales because it helps and the end market can process the LDPE. DEQ's response was that if an end market has any level of desire for a certain material then it wouldn't be considered a contaminant. What will be considered a contaminate will only be materials that are not accepted or tolerated by the end market.</p>
2:50 p.m.	<p>Public input</p> <p>There was no public comment.</p>

All times shown are estimates and are subject to adjustments to meet the needs of DEQ and workgroup members.

The Workgroup may also be joined by one or more guests for discussions of specific topics.

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