



Recycling Steering Committee

Modernizing Oregon's recycling system with support from Oregon Consensus

Recycling System Steering Committee Meeting Summary

May 29, 2020

9 am – 12 pm

Via Zoom

ACTION ITEMS:

ACTION	BY WHOM?	BY WHEN?
Ad hoc group will form to address non-EPR Funding (Group members: Abby Boudouris, Jeff Murray, Bruce Walker, Timm Schimke, Laura Leebrick, and Scott Keller.)	OC to coordinate ad hoc group coordinating call	Complete. (scheduled for 6/1)
Forward producer policy position paper links from RSC member, Dylan de Thomas	OC	Complete
DEQ to share RRS responses to RSC questions generated at the January 31st information session.	DEQ	Complete

Meeting Attendees:

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

Facilitation Team: Robin Harkless and Jennah Stillman

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

Registered Participants: Lauren Aguilar, Denise Barnes, Tino Barreras, Kristen Bartels, Andrew Bartlett, Sarah Bloomquist, Kathleen Boutin-Pasterz, Cathy Brown, Reed Carlson, Contracia Carrier, Dave Claugus, Paul Cosgrove, Shannon Crawford, Josie Cummings, Thomas Cuomo, Resa Dimino, Aaron Donley, Jeff Epstein, Nick Fahey, Stanley Girard, Laurie Gordon, Rosalynn Greene, Emily Ham, Jeanette Hanna, Bryce Hesterman, John Hewitt, Julie Jackson, Dean Kampfer, Alli Kingfisher, Scott Klag, Dave Larmouth, Cindy Leichner, Kristin Leichner, KJ Lewis, Brad Lovaas, Matt Markee, Angie Marzano, Brian May, Mike McCracken, Lexi Meek, Tess Milio, Jim Nam, Garry Penning,



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Sal Peralta, Carl Peters, Jerry Powell, Katie Reilly, Cat Rhoades, Keith Ristau, Julie Roberston, David Skakel, Jody Snyder, Eric Stephens, Kara Steward, Lindsay Stovall, Beth Vargas Duncan, Mary Vihstadt, Dan Weston, and David White.

MEETING SUMMARY:

Welcome and Agenda Review

Facilitator Robin Harkless, Oregon Consensus, welcomed the group and Recycling Steering Committee (RSC) members gave brief introductions. Robin then reviewed the proposed agenda and intended goals of the meeting with the group, which were for RSC members to review and discuss integrating producer responsibility at the collection phase of Oregon's recycling system.

Abby Boudouris, DEQ, updated the group based on questions DEQ heard from the RSC about how DEQ's legislative concept interfaces with the RSC process. Abby said those concerns were raised with DEQ Director Richard Whitman, and he wanted to communicate that DEQ recognizes a full draft Legislative Concept, at this point in time, may be creating a distraction for the RSC in its critical deliberations, and that there is significant work left to be done by the RSC through the summer. As such, DEQ has decided not to submit a detailed legislative concept, and instead only maintain the submittal as a placeholder intended to maintain flexibility, and work with RSC to develop ideas and recommendations, which will inform the potential development of legislation.

The Director expects and will be looking for solid progress on the goals identified in the Charter for modernizing the system (optimize environmental benefits, strong and resilient system, and public trust) and the desired functions established by the RSC. DEQ retains the discretion and need to determine, once RSC concludes its work, the direction the agency will go after September. Finally, Abby shared that in the spirit of transparency and 'no surprises', DEQ commits to communicate with the RSC their evolution of thinking on frameworks.

One RSC member requested that at the end of the process, DEQ communicate any changes in direction and/or determination that the RSC has not made sufficient progress in meeting the work outlined in the RSC Charter or desired functions to the RSC. This includes communication if DEQ decides to submit a DEQ legislative concept that is different from a RSC concept reached through consensus. This was confirmed by the agency.

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



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David Allaway, DEQ, began with opening thoughts from DEQ's perspective about Extended Producer Responsibility (EPR) for the collection phase of the recycling system. He noted that EPR can be implemented on a spectrum of responsibility and power (e.g. limited to system financing with less control vs. performance responsibility with a greater degree of control). David shared that 'control' implies more than responsibility – it includes the authority to set direction and to make decisions that others are obligated to follow. He emphasized that EPR is a regulated system, and statute or rule define the obligations of the regulated entity. The statute or rule may provide flexibility in how outcomes are achieved, and the flexibility allows for some degree of shared control. David highlighted that there is limited control with the potential strong oversight, and stressed that DEQ has no interest in turning over control of the recycling system to producers.

Following this, David covered additional presentation topics, which included EPR options for collection (e.g. financing, eco-modulation, plastic packaging and system integration); EPR financing options; how EPR achieves the desired functions; and potential impacts. *Please see PPT for additional detail.*) The following four key points were highlighted during the presentation:

Financing:

1. We've heard from some stakeholders a desire to expand recycling opportunities to communities and types of generators that currently lack them; a desire for a consistent statewide list; and to have meaningful generator-facing contamination reduction programming. It's unclear if parallel access for an ambitious, statewide list of materials, is environmentally or economically optimal. The infrastructure research could shed some light on that question, in the next round of scenario evaluation. While the RSC waits for that, DEQ is keeping open the possibility that Oregon might benefit from more extensive collection opportunities. Adding more materials, services to other communities that lack service, and implementing meaningful contamination reduction programming will all cost money. DEQ traveled the state earlier this year and met with representatives from almost 60 different local governments, and heard nearly universal opposition to raising rates further. Due to all these costs, if the RSC wants improvements to the collection system across all of Oregon, producer financing may be an important component of a future system.
2. To achieve important design changes, eco-modulation of fees aligns well with some of the upstream concepts that are central to the 2050 Vision. Collection is the most expensive part of the recycling system. If producers are financially obligated to collect, their fees will be higher, and the lever of eco-modulation will be stronger. Leave collection out, producer costs will be significantly lower and eco-modulation will be less effective.



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3. Plastic packaging would benefit from some extra regulatory focus. An ambitious but realistic recovery goal e.g. recovery mandate could force the development of effective recovery programs for plastic packaging. Given the sustained low prices for virgin resins, a recovery mandate has the best potential for growing and sustaining plastics recovery. This type of EPR allows industry to choose the most cost-effective solutions to increase plastics recycling, rather than having government micromanage the details. Industry could recommend how to achieve the goal, but the government would still maintain control.
4. Including producers somehow in the collection system could help integrate the system. Going back to basics: what is recycling? Recycling is the use of discarded materials in the production of new materials. The collection system is the start of the supply chain for the recycling activity. If producers are obligated to provide for markets, and if they're obligated to label responsibly, both of those obligations have a very strong bearing on collection systems. EPR in a shared responsibility model gives them a seat at that table – not the entire table, just a seat, one among many – and allows for more effective coordination across the recycling value chain.

The group then paused for discussion. RSC members were invited to discuss the content of the presentation and questions posed in the agenda. Following the discussion, Robin summarized the themes and next steps, which included the following:

- **Financing.** Members shared that while there may be a willingness to implement some of the desired RSC enhancements to the system, local communities lack the funding to do so. EPR may be a way to address volatility in pricing and offer a funding mechanism to pay for services, such as:
 - Ongoing customer feedback
 - Infrastructure technology advancements
 - Funding for off-route depots
 - Depots for plastic film, or styrofoam.
 - Ensure materials are sent to countries that offer safe disposal
 - Support a statewide list that is consistent across the state.
 - Funding to address equity in the system and support recycling in communities with limited recycling opportunities.
 - Cost equalization of transportation costs to MRFs
 - Could help address pollution and issues with litter.
- **Loss of Local Control.** Some expressed concerns about the potential for the loss of local control and transparency in the system. Those members wondered if the RSC could have an EPR system without a PRO, and stated some of the identified issues could be resolved currently without restructuring the system (e.g. enforcement, contamination audits, and requiring MRF transparency). One



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member suggested with an EPR system, the public will have a lack of investment and won't be compliant if there isn't a financial consequence at the curb.

- **PRO's role and function.** Some members felt versions of EPR can address system integration issues and overall higher performance in the system. While RSC members generally agreed producers should play a responsible role in the system, there were divergent opinions regarding the role of the PRO, where in the system producers could have a meaningful impact, and where best to integrate them to advance the goals of modernizing Oregon's recycling system. Some members noted a PRO should focus on issues such as mislabeling of packaging to reduce customer confusion, not be involved in the collection system. Others saw a larger role such as managing the collection system with strong government oversight.

The RSC discussed how they could better understand producers perspectives, including any shared goals, willingness etc.. A couple members cautioned the group that the RSC will not hear a consistent message, or single voice, from producers on any given issue. Some suggested that the RSC should first articulate its goals for the Oregon system, then work through the legislative process to figure out what can be obtained. One member suggested inviting authors of the York University study, or other relevant studies, to talk about PROs and costs associated with EPR. Dylan de Thomas offered to share additional resources developed by producers on best practices and policies, which were sent to the RSC right after the meeting.

Action Item: Oregon Consensus will forward the email from RSC member, Dylan de Thomas, that includes links to policy position papers.

Public Comment:

Jerry Powell thanked the RSC for its diligent work. He then shared thoughts on EPR with RSC Members. He noted that for many years, he was a skeptic about EPR, but in the last decade being involved with a mid-level PRO, he has changed his opinion. He stated he strongly believes EPR can improve an already strong system in Oregon without harming the existing stakeholders. Mr. Powell shared that EPR advances aspects of the system that are not getting done, such as contamination and the ability to provide additional access to recycling. There was then a question from an RSC member about Mr. Powell's opinion/feedback on the data recently published out of York University. Mr. Powell shared there is a debate continuing in Ontario with a variety of data and assessments regarding the effectiveness of the model. He noted that his experience has been in how to improve Ontario's system, which is unique, not necessarily the broader issues that are addressed in York University's report or other studies.



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Lauren Aguilar (Ameripen) thanked the RSC for continuing the conversation. She noted Ameripen is an association that includes producers and brand owners. Ms. Aguilar noted Ameripen is interested in having discussions with the RSC to answer any questions, offer information, or provide presentations to the RSC.

Aaron Donley (Waste Connections) encouraged RSC members to prohibit manufacturers from using the chasing arrows symbol on products. He has found this mislabeling has caused customer confusion and led to contamination in the system.

Dave Larmouth (Recology) shared his concerns with Oregon having a PRO. He noted a PRO is not a good fit, and is concerned with an outside organization having a seat at the table where costs are discussed and negotiated. He shared that haulers and recyclers have worked hard to develop good relationships with the jurisdictions they serve, and does not feel a PRO will work to have similar working relationships.

Wrap Up and Next Steps

Following public comment, Robin then summarized the general themes from the group's discussion, action items, and next steps, which included the following:

- There was a desire to understand PROs and their potential role in Oregon's recycling system.
- DEQ will share RRS' follow-up responses to questions raised by RSC members at the January 31st information sharing session. (**Facilitator note: RRS' research is underway and will be brought forward in a series of memos not all at the same time.**)
- Infrastructure research results will be presented on June 10th and 12th, which may inform RSC conversations regarding consistency and access, as well as other options the group may want to advance.
- DEQ is hosting an informational webinar on June 2 on its methodology for evaluating environmental and social costs, which will be used to further analyze the infrastructure scenarios in the Cascadia research.
- The next meeting to discuss EPR will be held in conjunction with infrastructure RSC meetings next week, the afternoon of June 12th, focusing on processing*.
 - ***Facilitator's Note: Given the limited time on the June 12 agenda for the RSC to review EPR, the focus will be at the Market phase. Processing will be discussed on June 18.**
- Ad hoc groups are underway. Progress updates will be shared at each RSC meeting and any draft products/proposals will need to be ready and work concluded by mid-August to allow for time to review a comprehensive RSC package.



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Robin noted there is an opportunity for a non-EPR financing ad hoc group to address funding mechanisms to support modernizing Oregon's recycling system. She noted members have not indicated an interest yet, but wanted to offer an additional opportunity for RSC members to sign up and engage in the conversation. One RSC member noted it will be difficult to have that conversation before members hear the results of the infrastructure work, and shared they believed current funding mechanisms already exist to address issues in the recycling system. Another RSC member noted that if the RSC supports some of the features to modernize the collection system, and heard from local governments that the rate funding mechanism will not support it, then there's a remaining question of how to fund those options. **Robin encouraged a small group of local government and industry RSC members to work together to better understand the funding concerns and explore other potential funding mechanisms.**

Action Item: Ad hoc group will form to address non-EPR Funding (*Group members: Abby Boudouris, Jeff Murray, Bruce Walker, Timm Schimke, Laura Leebrick, and Scott Keller.*)

Finally, RSC members were urged to continue to review Oregon Consensus' draft meeting summaries to ensure they accurately reflect the group's discussions and outcomes. Robin noted the group will be asked to determine general direction on issues at this point, as the final consensus seeking will occur towards the end of the RSC process in late-August/September. This should allow and encourage members to stay open and non positional at this point in the process.

With that, the meeting adjourned.