



Recycling Steering Committee

Modernizing Oregon's recycling system with support from Oregon Consensus

Agenda

May 7, 2020, 1 p.m. – 3 p.m.

To register in advance for this meeting:

<https://pdx.zoom.us/meeting/register/tJltf-Cvrj4vEtNLaSKw6BQhhJm9NhoUJwcE>

Meeting Purpose:

- 1) Resume efforts to develop and deliberate frameworks concepts within the RSC, starting with presentations from Metro, DEQ (and other RSC members?) on their preliminary thinking following the 1/31 Frameworks Research Information Session.
- 2) Identify areas of potential alignment or 'consensus ready' (or 'near consensus ready') common elements to set the near-term agenda for the RSC effort.
- 3) Introduce a high-level roadmap and next steps for successful completion of the RSC effort

1:00 **Welcome**, introductions and digital format orientation (Oregon Consensus)

1:15 **Framework Concepts**

Before the COVID-19 disruptions, the RSC had been preparing for deliberations on framework concepts for consideration in modernizing Oregon's recycling system, with a request to submit ideas or be prepared to weigh in on the list of common elements which emerged from the contracted research. Today's session will resume that effort with modifications to the process given the pause and direction from DEQ to prepare for 2021 legislation.

[Framework Common Elements Checklist](#)

- Metro concept
- DEQ concept
- Other concepts or common elements shared in advance of today's meeting
- RSC – Q&A and initial feedback on ideas

2:00 **RSC Discussion** (RSC Members)

- Review a list of common elements which may be alignment ready. Anything missing from this list? Confirm the list.

2:30 **Public Comment**

2:45 **Wrap Up** - Oregon Consensus

- DEQ - Broader RSC roadmap



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- OC - Identify next steps for Frameworks: process for developing alignment ready elements identified today, process for developing other elements; iterative consensus process

3:00 **Adjourn**

Shared Responsibility Framework Concept for Modernizing Oregon's Recycling System (Oregon Department of Environmental Quality DRAFT – May 6, 2020)

To create a system that optimizes benefits for the environment, is strong and adaptable to change, and restores and maintains public trust, DEQ offers a conceptual policy framework for recycling of packaging and printed paper (PPP) that shares responsibility between local governments, the recycling industry, producers and the state. The shared responsibility framework includes multiple elements that are described below.

Collection

- Local governments continue to manage their recycling collection programs. They would:
 - provide for recycling collection opportunities in most locations where garbage collection is provided (parallel access);
 - collect materials from a consistent, statewide list approved by DEQ based on criteria established in statute including markets, costs, and environmental considerations; and
 - implement generator-facing recycling education and programming to reduce contamination in collected recyclables.
- Recycling collection continues to be provided in the manner selected by the local government, consistent with ORS requirements.
- Producers fund most collection expenses, with incentives for cost containment.

Processing and End Markets

- Commingled processors are held to sorting quality standards to reduce contamination and ensure that program materials are sent to the appropriate end markets.
- Processors may impose a contamination fee on incoming loads that don't meet established inbound contamination standards.
- Producers contract with MRFs for processing, marketing and transportation, so that collection service providers pay no gate fee to deliver recyclables to MRFs.
- Policy framework addresses stranded assets and requires resiliency/redundancy in processing infrastructure.
- Producers are obligated to recycle processed materials. Preference given to mechanical recycling; other forms of recovery allowed only with DEQ approval.
- New standards require downstream (disposition) transparency and restrict the transfer of potentially contaminated recyclables to entities that lack safe disposal options.

Additional Producer Obligations

- Producers required to join a Producer Responsibility Organization (PRO) to meet obligations.
- PRO required to obtain DEQ approval of a program plan and implement that plan.
- Achieve realistic but gradually escalating recycling goals for plastic packaging.
- Fund other impact reduction measures, including litter abatement and waste prevention/reuse.
- Finance DEQ oversight and administrative costs, including both financial and non-financial audits of producer performance.

(continues)

Eco-Modulation and Design for Environment

- Producer funding obligations are based on material-specific cost impacts on the recycling system.
- PPP materials that are not recyclable are also subject to fees. These fees pay for a portion of recycling system costs, including costs of reducing and managing contamination.
- Fees must be eco-modulated according to “design for environment” criteria and guidelines established by DEQ/EQC (within bounds defined in statute), including standards for impact disclosure.

Other Considerations

- Auditing and oversight of all system elements by DEQ to ensure that goals are being achieved and serve to restore and sustain public trust.
- Support expanding the Bottle Bill to include wine and spirits to minimize the amount of glass collected curbside.
- “Truth in labeling” requirements to facilitate appropriate consumer behavior and help reduce contamination.
- DEQ would commit to evaluating social equity considerations and implementing a plan for continuous improvement.
- Life cycle assessment research would inform best practices for end-of-life pathways.

Recycling Steering Committee Discussion Document**Metro – Recycling System Modernization Frameworks Concept and Complementary Elements****March 24, 2020**

Metro supports a modernized integrated EPR recycling system for Oregon: where producers fully fund the system and are held to high standards of performance, accountability and transparency; that fulfills Oregon’s 2050 Vision and Framework for Materials Management; includes elements that help reduce materials life cycle impacts; and advances equitable outcomes and services. The system should include the provisions listed below. Recommendations for complementary policy elements and actions are on the next page.

1. Legislation requiring producers to provide a recycling program for their materials that:

- Prescribes how government can direct and oversee the program to ensure it operates in the public interest.
- Provides the DEQ with necessary approval, oversight and enforcement tools. (e.g., review and approve of what’s collected and where it goes (recycling, recovery, or disposal).)
- Compliance with all state and local standards governing their operations – health, safety, performance.
- Include transparency on where materials go for all processing facilities within the system.
- State sets and enforces performance standards – service levels, targets and goals, collection and recycling rates.
- An efficient and effective Stewardship Organization plan submittal and review process.
- DEQ enforcement provisions and penalties that ensure producer compliance.

2. Covers all packaging and printed materials:

- What is covered is based upon functional definitions (e.g., what defines “packaging”).
- All types of materials (e.g., paper, plastics, metal etc.) are included.
- Stewardship organization proposes and Oregon DEQ approves a standardized recycling list for the entire state.

3. Uses a standardized statewide recycling list that dictates how covered materials are managed:

- The state list indicates what will be recycled curbside, and what collected in alternative ways (e.g., return to retail; depots); it also indicates when covered items may be disposed of.

4. Education is coordinated by local governments:

- Local government plays key role in educating public to ensure focus on waste prevention and reuse.

5. Includes all generator sectors (residential, commercial and public spaces):

- Residential (single and multifamily) and commercial services meet or exceed all current requirements (i.e., Oregon Opportunity to Recycle and Metro Regional Service Standard).
- Producer requirements for public spaces focus on problematic issues – e.g., single use plastic litter, marine debris.

6. Requires producers to fully fund and operate the system from collection to processing to marketing – excepting that local governments are allowed to continue to provide recycling collection if they so choose.

- Producers reimburse Oregon DEQ for costs to oversee the program.
- Legislation prescribes how to select an independent entity to set any collection payments to local government.
- Where producers provide recycling collection services, local governments will review and approve the schedules for the delivery of those services to ensure coordination with other local services including compost/yard debris and garbage collection.

7. Includes measures to reduce life cycle impacts:

- The covered list guides how materials are managed (i.e., recycled, disposed) and takes life cycle assessments into account.
- Producers will internalize the cost of their program into the price of their products; utilize “eco-modulated fees” that incorporate life-cycle impacts such as greenhouse gas emission; and consider the use of “disrupter fees” that charge more for items that cause problems in the recycling system. Government will review the methodology of how these internal producer fees are set.

8. Includes requirements for access to services and advances equitable outcomes:

- Living wage for workers in the system.
- Convenient access to services for low income and multifamily residents.
- Opportunities for small business/COBID businesses to participate in the system.
- Consideration of potential impacts on waste pickers/informal recycling sector.
- Good neighbor and community benefit agreements for infrastructure host communities.

Additional measures to complement EPR provisions:

1. Local and or state processing facility and end market requirements
 - MRF contamination levels (in and outbound); end markets - health, safety and environmental requirements
2. Contamination standards and requirements for generator feedback
 - Set contamination standards for single, multifamily and commercial generators and require appropriate ongoing customer feedback (e.g., use of cameras on trucks, refusal of service); prioritize most contaminated sectors and routes.
3. Labeling requirements – yes
 - Not included as direct part of EPR as more than just PPP products may be covered by such legislation.
4. Expanded bottle bill – yes – (e.g., wine and spirits)
 - Changes would be required to bottle bill statutes – EPR for PPP would exclude by definition – See new Udall-Lowenthal federal legislation for an example of how to do this.
5. Recycled content standards – yes
 - Not included in EPR provisions as requirements may fall on different parties than the EPR provisions.
6. Disposal bans – study options
 - None included at this time but study potential use on some single use items.
7. Market development – no specific recommendations at this time
 - Under our EPR proposal the need for market development is an inherent responsibility of producers stewarding their products (e.g., to meet required recycling goals). Whether additional measures (e.g., incentives for producer) are necessary may need discussion.



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Recycling System Frameworks – Elements

Common Elements Recommended For All Framework Scenarios – As Recommended By Resource Recycling Systems*

Parallel access (recycling collected wherever garbage is collected):	(X) if included in your concept:
Same across all sectors	X
Single family	
Multi-family	
Non-residential	
Public spaces	

Mandatory variable pricing (pay as you throw – PAYT):	(X) if included in your concept:
Same across all sectors	Disposal issue
Single family	
Multi-family	
Non-residential	
Public spaces	

Materials recovery facility (MRF) certification and reporting requirements, including:	(X) if included in your concept:
Inbound contamination	X
Outbound contamination	X
End market specifications/requirements (environmental, health, and safety)	X

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Transparency/accountability of outbound materials	X
Equity standards (labor)	X

	(X) if included in your concept:
Material specific lifecycle assessment (LCA) database to support end-of-life (EOL) and design for environment-based decisions	If DEQ chooses
Defined optimal material specific EOL pathway (instead of hierarchy)	To augment not replace hierarchy
Statewide list of designated recyclables	X
Ban on disposal of items recognized on statewide list	Study options
Recycled content requirements and/or incentives	X
Labeling requirements	X
Market development	X Inherent in EPR
Expanded bottle bill (i.e., wine and spirits)	X
Litter, waste prevention and upstream activities	X

*How these are applied and by whom will change among frameworks

Scenario-Based Elements Categorized According To Operations, Governance and Finance:

Note: Not all elements are listed here in order to avoid potential confusion caused by redundancy

Operations

Locally-managed collection	(X) if included in your concept:
Local governments (LGs) plan and implement recycling collection programs that meet new state requirements (Scenarios 1-4)	
Work with DEQ and producer responsibility organization (PRO) to obtain reimbursement for recycling program costs (Scenario 4)	X – set out rules clearly in statute
Under Scenario 5 , LG has the option to: Opt-in to contract as collector for PRO(s), elect service by PRO(s), or opt-out of system (receive no recycling-related funding from PRO(s)).	X
Collection service providers could only deliver material to a permitted/certified MRF (Scenarios 1-5)	X
Collection service providers deliver material to PRO-contracted MRF (Scenarios 3-5)	X
Open market post-collection (Scenario 1)	

Governance

DEQ rules and regulations ¹	(X) if included in your concept:
DEQ contracts with MRFs for processing of program materials. MRFs would compete for state-issued processing contracts. Funding source would be needed. (Scenario 2)	
Set statewide mandatory list of recyclables. DEQ would set materials list, with help from a newly-created recycling advisory committee (Scenarios 1-	X

¹ Several elements that DEQ might regulate are not listed separately here, largely to avoid confusion associated with redundancy. These include permitting/certification of MRFs (see “operations”); overseeing compliance with requirements of parallel recycling access and variable rate pricing (see common elements); negotiating, approving, and enforcing producer’s program plan(s); overseeing and coordinating PRO-funded reimbursement, and integrating ratepayer-funded collection with producer-funded post-collection activities (Scenario 3).

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5, though in Scenarios 4 and 5 the PRO(s) recommends the list for DEQ to approve).	
Modify the economic test. ²	NA

Local governments	(X) if included in your concept:
LGs update franchise/license agreements to comply with new policies (Scenarios 1-5)	X

Producer responsibility organization(s)	(X) if included in your concept:
PRO(s)-managed post-collection: PRO(s) develop and implement program plan, manage post-collection, ensure markets for materials, and report on results. MRFs compete for PRO(s) contracts. (Scenarios 3-5)	X
PRO(s)-financed (but not managed) collection: PRO(s) reimburse local governments for collection costs (Scenario 4)	X
PRO(s)-managed collection: PRO(s) develop and implement program plan, manage collection, and report on results (Scenario 5)	X

Finance

Producer responsibility organization(s)	(X) if included in your concept:
Local ratepayers continue to pay for collection as they currently do (Scenarios 1, 2, 3 and possibly 5 if jurisdiction opts out of system altogether)	
DEQ funding to administer transportation reimbursements to service providers and payments to MRFs to cover processing/marketing costs (Scenario 2) and possibly enhanced market development, litter, waste prevention and upstream activities (Scenarios 1-2):	

² Note: This element was not included in RRS' January 31 report but is included here in part to be discussed alongside the element of a statewide mandatory list of recyclables. RSC members' preference for a statewide list might differ depending on the future application (or not) of the "economic test". Please also note that the "economic test" might play very different roles in scenarios involving EPR than those without.

Solid waste disposal fee surcharge	This is disposal issue
Recycling gate fee surcharge	Not preempted
Generator fee	Not preempted
Collection service excise tax (recycling collection services, waste collection services, or both)	Not preempted
Retail packaging fee (assessed at point of sale and paid by consumer)	
Producer fee	
Producer responsibility organization(s)	
PRO(s) provides transportation reimbursements to service providers (Scenarios 3-5)	X
PRO(s) covers processing and material marketing costs associated with post-collection portion of system (Scenarios 3-5)	X
PRO(s) funds entire system (Scenarios 4 and 5)	X
PRO(s) funds market development (Scenarios 3-5)	X
PRO(s) funds litter activities (Scenarios 3-5)	X
PRO(s) funds waste prevention (Scenarios 3-5)	X
PRO(s) funds other upstream activities (Scenarios 3-5)	X
Use of eco-modulated fees on products and packaging (Scenarios 3-5, possibly Scenario 2 depending on funding source)	X