



## EFI Recycling

4325 N. Commerce Street  
Portland OR 97217

March 3, 2021

Senator Lee Beyer, Chair  
Senate Committee on Energy and Environment  
Oregon State Legislature  
900 Court St. Ne, H-490  
Salem, Oregon 97301

Re: -1 amendment to Senate Bill 582 and SB 581

Chair Beyer, Vice-Chair Findley and Members of the Committee:

I am Jeff Murray, Director of Business Development for Environmental Fibers International, Inc., d/b/a EFI Recycling (EFI). EFI is a local, family-owned recycling company that processes commercial and commingled recyclables collected from throughout Oregon and the Northwest. I am writing to provide my company's comments on the -1 amendment to SB 582 and SB 581

I participated as a recycling industry member on the DEQ's Recycling Steering Committee (RSC) which met for over two years to develop a recommendation for a modernized recycling program for the state. That collaborative process included input from many of the state's recycling system stakeholders. After many meetings, extensive analysis and much compromise, the committee developed the Consensus Agreement that was the basis for HB 2065, the predecessor to the -1 amendment to SB 582. EFI was in strong support of the intent of the RSC's consensus agreement. While many of the elements of the RSC recommendation were included in the -1 amendment, there are new provisions that appear to go beyond the RSC recommendation, and we continue to assess those changes within the amendment.

EFI supports the general concepts in the -1 amendment to SB 582 before your committee. The -1 amendment includes improvements to the current recycling system that has served Oregon well for many decades. Elements we support include:

- **Establishing a balanced approach to funding the costs of the new recycling system.**

The proposed legislation is based on the premise that all participants in the system should share responsibility for its costs. Therefore, for the first time in Oregon, the producers of certain products and packaging will help finance the costs of recycling system improvements, fund activities that reduce litter and

pollution, and ensure that materials are sent to responsible end markets. EFI supports this much needed and balanced approach to a shared financial responsibility system.

- **Updating infrastructure at commingled recycling processing facilities.**

These improvements will be funded by a Producer Responsibility Organization (PRO) and will allow processors to adapt their equipment to the current and future stream of recyclable materials. The updated equipment will also allow processors to remove difficult to recyclable materials and contamination, thereby increasing efficiencies and improving the quality of materials sent to end markets.

- **Providing a strong focus and commitment to addressing contamination.**

Contamination is a significant problem in materials currently set out by generators for recycling. This problem has worsened over time as more types of plastics, with confusing labeling regarding their recyclability, are collected at the curb. The -1 amendment provides funding by the PRO to local governments for much needed outreach on recycling education and customer feedback on proper recycling to address contamination. In addition, a uniform state-wide list of materials acceptable for recycling will be established that will help reduce public confusion. Finally, confusing labeling needs to be addressed by the “Truth in Labeling” provisions of SB 582 or in SB 581. Strong Truth in Labeling provisions are essential to addressing customer confusion caused by misleading labeling that leads to contamination. Contamination increases costs and adversely affects processing, with the ultimate loss of access to responsible end markets.

- **Advancing equity in the recycling system for underserved communities and individuals.**

The -1 amendment directs the DEQ to conduct an equity study to identify obstacles and opportunities to improve equity in the recycling system that includes access to services, business opportunities for minorities and improving recycling industry working conditions, wages and benefits. The PRO will submit a plan on how it will implement and fund needed improvements identified by the study.

The cost of transporting collected recyclable materials from remote or rural communities to commingled recycling processing facilities or end markets creates a significant and inequitable barrier to participation in recycling. The -1 amendment provides funding by the PRO to subsidize the cost of this transportation thereby making recycling more affordable and accessible for all.

While EFI supports the general concepts in the -1 amendment to SB 582, we have also identified a number of areas that cause us concern due to unclear or ambiguous language, a proposal that has not been fully evaluated or a provision that could have unintended consequences. These areas of concern include the following:

- **A lack of clear description and appropriate regulation of the facilities and locations that potentially receive and reload commingled recyclables as well as market source-segregated recyclable materials.**

The recycling system, from the generator to the end market, includes numerous entities that may possess, reload, transfer, transport, process, sort, glean materials from the commingled recyclables, and market the recyclable materials that flow through the system. An important goal of this effort to modernize Oregon's recycling system is to ensure that materials collected for recycling are properly handled and ultimately sent to responsible end markets. Each entity along this path that takes possession of the materials has a responsibility to ensure that this goal is achieved. Some of these entities are described and defined but others are not.

It is very important to describe each of these entities clearly and accurately and then to define their respective role in the system, including activities the entity may and may not perform. Further, regulations must be established, including reporting requirements and enforcement provisions, to ensure that materials are properly handled by these entities, can be accurately tracked and their destinations verified. The current language does achieve this for some facilities involved in the process, however, not all. It is ultimately important to the integrity and transparency of the system that this be addressed.

- **The -1 amendment establishes fees that will be paid by the PRO to the commingled recycling processing facilities that sort Oregon's recyclable materials. Unfortunately, the formula for calculating these fees are unclear and incomplete.**

These fees are a newly established and important component of the proposed recycling system as they will subsidize the operating cost of the commingled recycling processing facilities. This will help meet the program's stated goal of protecting ratepayers from the increased cost of this new recycling program.

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The fee calculation language and payment provisions in the -1 amendment may have significant unintended consequences for the financial health of the commingled recycling processing facilities.

Thank you for the opportunity to provide these comments on the -1 amendment to SB 582 and SB 581. We look forward to working through the unresolved questions and concerns in order to move to support this legislation.

Respectfully Submitted,

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cc:

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