



TESTIMONY OF
THE AIR-CONDITIONING, HEATING, AND REFRIGERATION INSTITUTE

BEFORE THE OREGON LEGISLATURE
SENATE ENERGY AND ENVIRONMENT COMMITTEE

HEARING ON SB 582

APRIL 8, 2021

Chair Beyer, Vice Chair Findley, and members of the Senate Energy and Environment Committee, thank you for allowing the Air-Conditioning, Heating, and Refrigeration Institute (AHRI) to submit written testimony with respect to the latest proposed amendment and substitution to Senate Bill 582 (SB 582), related to single-use plastics and packaging and an extended producer responsibility (EPR) program in Oregon.

AHRI represents more than 320 manufacturers of air conditioning, heating, water heating, and commercial refrigeration (HVACR) equipment. It is an internationally recognized advocate for the HVACR industry and certifies the performance of many of the products manufactured by its members. In North America, the annual output of the HVACR industry is worth more than \$20 billion. In the United States alone, AHRI members employ approximately 130,000 people and support another 800,000 dealers, contractors, and technicians nationwide.

While the proposed amendment to SB 582 begins to address some of the concerns AHRI has identified with the legislation, we still respectfully oppose the overarching bill whether or not the proposed amendment is adopted. As currently drafted, the amendment still includes a broad range of material types and products within scope. Since the primary concern is addressing plastic waste, AHRI would prefer to see the bill's scope narrowed to solely rigid and flexible plastic materials only. Glass, metal, and paper products are already highly recyclable and reused at much higher levels than plastics materials. These alternatives to plastics should be allowable and encouraged in lieu of difficult to recycle and non-compostable plastic packaging.

AHRI also remains concerned with the inclusion of non-consumer-facing, transport or tertiary packaging that is necessary for efficient storage and transportation of our member products. While AHRI appreciates the work done by legislators and the Department of Environmental Quality to address this concern by exempting pallet wrap, manufacturers rely on a much broader range of packaging materials to ensure valuable HVACR and water heating equipment can be safely transported throughout the distribution chain. Damage and breakage due to improper packaging and storage can lead to unnecessary, additional waste and cost.

While we understand that there are challenges with Oregon's existing recycling system, which often commingles residential and commercial waste, AHRI believes an effective EPR program will recognize the efforts companies already make to source reduce and recover large portions of non-consumer-facing packaging.

AHRI would like to express support for the material-specific exemption pathway included in the bill, but we believe the exemption language would be improved by clearly specifying that the Department of Environmental Quality can provide exemptions as necessary based on material availability, market impact, cost, and environmental impact.

As such, while AHRI is supportive of moving towards increasing sustainability and the recycling and reuse of packaging materials, we believe it is necessary to amend the legislation to account

for the implementation challenges identified in this testimony. AHRI is appreciative of the effort of the Department of Environmental Quality and the bill sponsors to amend this legislation, but we believe further changes are needed.

Thank you for the opportunity to submit testimony in consideration of SB 582.