



March 28, 2023

TO: Members of the Senate Committee on Energy and Environment

FR: Derek Sangston, Oregon Business & Industry

RE: Opposition to SB 123

Chair Sollman, Vice-Chair Findley, members of the Senate Committee on Energy and Environment, for the record, I am Derek Sangston, policy director and counsel for Oregon Business & Industry (OBI).

Oregon Business & Industry (OBI) is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

Thank you for the opportunity to testify in opposition to SB 123 and its -2 amendment. OBI opposes SB 123 because it would get out in front of the rulemaking process currently taking place as well as the work producer responsibility organizations (PROs) are already tasked with completing under passage of SB 582 (2021). OBI is also concerned SB 123 would lead to requirements placed on Oregon businesses that do not align with regulations in other states—like Colorado and California—that have also passed extended producer responsibility (EPR) programs.

When SB 582 passed in 2021, Oregon became one of four states to enact an EPR program. The goal of that program is to reduce waste by increasing the recycling of packaging. Under that new law, PROs are already required to develop campaigns to educate the public on whether a given product is able to be recycled, how to recycle it, and the importance of keeping products that are not able to be recycled out of comingled recycling bins.

By tasking PROs to “develop recommendations for the use of digital labeling” as part of their obligations under the law passed in 2021, SB 123 could have the unintended consequence of favoring digital labeling at the expense of other methods meant to educate the public about Oregon's recycling laws. While it is possible that a digital labeling program is the most efficient option, OBI urges this committee to allow PROs to engage in the process required under current law to determine that.

OBI also urges this committee to align, as much as practical, with the work of other states with EPR programs when crafting education campaigns and, especially as those campaigns relate to labeling laws. This would ensure that businesses do not have to navigate a patchwork of labeling policies and are able to best serve consumers. By directing PROs to develop digital labeling recommendations, SB 123 could restrict such alignment.

For these reasons, OBI respectfully urges this committee to hold off on adding new requirements to Oregon's recycling program. Let PROs and the Oregon Recycling Advisory Council complete the work to implement SB 582. Passing additional requirements could have the unintended consequence of distracting from and potentially disfavoring more effective solutions to this problem.

Thank you for your consideration.

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