



February 27, 2024

The Honorable Janeen Sollman  
Chair  
Senate Committee on Energy and Environment

**RE: Comments on HB 4103 A**

Dear Chair Sollman, Vice Chair Findley and Members of the Senate Energy and Environment Committee

I am Scott DeFife, President of the Glass Packaging Institute, the trade association for the glass container manufacturing and glass recycling industries. We offer our testimony as background for the Committee as it relates to the issues presented in HB 4013 A, regarding EPR fees for wine producers and the viability of moving wine bottles into the state's bottle bill program. The question related to EPR fees on wine bottles is closely related to the decision of the state to potentially expand the bottle bill and include wine (and for that matter, spirits).

Glass is sustainable, reusable, and infinitely recyclable. Recycled glass is a key ingredient in making new bottles, and there is a tremendous environmental benefit to using more recycled content in making new glass containers. Glass has a circular economy in Oregon with bottle manufacturing and glass processing in Portland. A majority of the bottles made in Oregon are wine bottles and the glass made in Oregon has some of the highest recycled content of any bottles made in the country. This is largely due to the fact that Oregon has long been one of the top glass recycling states due to the efficiencies of the high performing OBRC program, along with the presence of some "glass on the side" in the Metro area for the glass that is not in the bottle bill. A high recovery rate for the bottle bill, and higher quality from bottle bill recovery streams are keys to this success.

Glass in most commingled single-stream recycling programs, however, has a much higher contamination rate, and more restricted end-markets. As DEQ suggested in its' testimony in the House hearing on this bill, the EPR (Recycling Modernization Act, or RMA) implementation efforts in Oregon have struggled with the determining the proper disposition of glass in the program. This is in large part due to the fact that while glass is a highly recyclable material with viable, circular end-markets in the Pacific Northwest serving the wine, food, and beverage industries, the dominant residential recycling systems rely on commingled single-stream, which was not designed to handle glass well. The RMA disposition of glass looks like it will be to suggest a hybrid of continuing the collection of "glass-on-the-side" in the Portland metro area, but largely rely on a new, to be determined series of drop-off depots in the majority of the state, but not have it in the commingled system. While we would hope that Metro area governments would continue "glass on the side" pickup under the RMA, we sense that the EPR glass will be relegated to the depot system. We have had no direct contact from CAA regarding the plan for glass in EPR, or the expansiveness or cost calculations of the depot system.

The majority of the PRO interests are focused on plastic and paper, and the details needed to properly determine the fate of glass are secondary and may require need more time to get it right. In contrast, the majority of glass product in Oregon is already handled by the beverage container bottle deposit return system managed by OBRC.

***So, in summary, as far as the glass is concerned, glass containers are likely to fare far better under the bottle bill system than the emerging EPR system.*** We are concerned that relying on a remote undetermined number of glass depots, with admittedly better quality, but with lower expected consumer participation rates, we may lose thousands of glass tons that could be recovered and made back into new glass bottles. More Oregon wine glass is likely to end up in state landfills if consumer participation does not pan out with the depot system.

Additional data points that I think are helpful for your consideration of HB 4013 A:

- **We estimate that roughly 60 percent of the glass in Oregon is already in the bottle bill.**
- **Our estimates of the amount of wine glass in the EPR program differ from the CAA testimony submitted for this hearing.** They suggest 40 percent or more of the EPR glass is made up of wine bottles, **our data suggests that wine bottles will constitute roughly 25-30 percent of the EPR glass.** Roughly Forty percent of the glass in Oregon is currently under the EPR law, but a plurality of that should be food containers. Food container markets make up more glass production than wine and spirits combined. Even with imported filled containers, our data suggests that wine is the second largest end-market not covered by the bottle bill program.
- **Moving wine glass or spirits from EPR to OBRC would be materially significant to the EPR plan for glass and should be done thoughtfully.** However, in another point where we would differ with the CAA testimony, it is not HB 4013A that is creating the need for more work by the PRO to calculate fees for glass producers. It is the underlying RMA law that allowed for an exemption of bottles under the deposit program to be exempt from EPR fees. That has been known since the RMA became law, and the consideration of moving wine and/or spirits containers has been ongoing since. **The PRO(s) should study that exemption regardless of HB 4013A, as expansion of the bottle bill could happen at any time.**
- **Adding wine bottles to OBRC is completely feasible,** but there are important logistical issues that must be worked out and seemingly are leading to a delay in expansion of the bottle bill. Any operational issue raised by OBRC or others to expanding the bottle bill to include wine and spirits can be resolved with a focused work group.
- **Wine (and spirits) is included in the Maine, Iowa and now California programs, and expansion of wine and spirits being considered in CT/VT and NY.**
- **Importantly, wine and spirits were both included in the DRS bill considered in Washington state that we worked to pass in coalition with OBRC support.** If wine bottles and spirits bottles can be in bottle deposit programs in California, Washington, and BC, Canada, they can be functionally added in Oregon.
- **Lastly, for policymakers that want to see the growth of refill and reuse, a deposit return program and infrastructure are critical for success and need investment to work.** It is difficult to imagine a reuse/refill program for Oregon wine to emerge from an EPR wine glass regulatory environment.
- **We agree with and support a workgroup to work on bottle bill modernization and expansion and offer our time as a constructive member of such an effort.**

The glass industry supports maximizing the recovery and use of glass in Oregon. More wine bottles will be recovered and recycled and made into new wine bottles in Oregon if they are in the bottle bill system. The stewardship element of OBRC should mean that the best path for highest return of the materials should bear significant support to expand of a system that already handles a majority of the glass in the state. We understand there is an organizational state administrative issue that further complicates the expansion of the bottle bill to spirits that should also be discussed if there is an interim solutions workgroup.

There are – to be certain – some transition issues for wine as a product and as more large format bottles are to be recovered – that must be addressed to expand the bottle bill to include wine, but none of those issues are so difficult to the operational question of whether wine bottles could be added to the bottle bill program – they can and should be added. The Oregon Liquor Control Commission agreed in its letter accompanying the Oregon Audits review of the system in November 2020 <https://sos.oregon.gov/audits/Documents/2020-36.pdf> that wine and spirits should be added to the bottle bill system. We offer our time and effort to continue to work with stakeholders to improve glass recycling in Oregon.

Oregon is a leader in environmental sustainability, the state's bottle bill program is a significant contributor to that status. Thank you for your consideration of our testimony highlighting the importance of maximizing Oregon wine glass recycling.

Sincerely,

A handwritten signature in black ink that reads "Scott DeFife". The signature is written in a cursive, slightly slanted style.

Scott DeFife  
President