

February 27, 2024

COPY OF LIVE TESTIMONY FOR HB 4013A
Public Hearing: Feb 27 2024

Good afternoon, Chair Sollman, Vice-chair Findley and members of the committee. For the record, my name is Devon Morales and I am here on behalf of the Oregon Winegrowers Association. Thank you for the opportunity to testify in support of HB 4013A. I will get through as much of my testimony as I can with time available to me today and will then submit a copy of the full statement in the record.

Let me start by **stating clearly** that as an industry, our goal is to move glass wine containers into Oregon's Bottle Bill, **if** it makes economic and environmental sense to do so. When I say economic sense, I am referring to comparing the costs for those containers to be included in the Extended Producer Responsibility Program or the Bottle Bill program. I am talking about membership fees, and I am talking about comparing the person or technological power needed to meet compliance obligations in both programs. When I say environmental sense, I am referring to identifying the program that is most likely to result in the greatest rate of recycling. I am also talking about the program that would be most likely to allow for a successful refillable wine bottle program and that would generate clean material that can be processed locally or regionally back into wine bottles.

The House Climate Energy and Environment Committee heard testimony on this bill from your Oregon wine industry and experts in the field of glass wine container recycling and reuse. What we have learned from experts in this space is that hands down, deposit return systems like Oregon's Bottle Bill are significantly more likely to result in those containers being recycled or reused than when including those containers in source-segregated curbside collection systems.

For example, the Container Recycling Institute noted in its testimony in the record for this bill that about 14 million glass wine bottles are recycled per year in Oregon through existing recycling programs. About 57 million glass wine bottles are wasted. This means that about only 24% of the wine bottles sold in Oregon are being recycled today. If Oregon's deposit return system (the Bottle Bill) were to include glass wine bottles, it is estimated that an additional 46 million containers could be diverted from the landfill in Oregon. That is the opportunity that including wine bottles in Oregon's Bottle Bill offers to our state.

I would like to take a moment to explain the scope of this bill. HB 4013A does three things:

- It removes glass wine containers from the definition of covered products under the EPR program for the first year, until July 1, 2026. This means the producer responsibility organization (or PRO) would not have any obligation to collect and process the material during that timeframe.
- It requires DEQ to adjust the glass collection target set out in rule to account for wine glass being removed from the definition of covered products for one year. This is so that removing glass wine containers from the definition of covered products does not make it more difficult for the PRO to meet its glass collection target.
- Lastly, it requires wine producers that have EPR obligations to pay a one-time fee to the PRO to reimburse costs associated with inadvertent collection of wine glass during the period of July 1, 2025 – June 30, 2026 if wine glass is not added to the Bottle Bill before June 30, 2026.

You heard from Stoller and the Wine Caucus co-chairs about the challenges with the timeline envisioned for the workgroup and the promise of expediting legislation during the 2025 legislative session if HB 4013A does not pass to provide the one-year buffer. I will **not** focus my comments on those concerns.

I will instead focus on written testimony submitted to the record for this bill by Circular Action Alliance (or CAA) at the request of Chair Sollman. We would like to take the opportunity now to address some of the statements made in their testimony. CAA is the only remaining prospective producer responsibility organization that plans to submit a program plan in Oregon after two dropped out of the running in recent months.

First, CAA makes the statement: Glass, as a PRO acceptance list material in the RMA, is a material that CAA will be fully responsible for managing collection and processing costs of as of July 1, 2025.

HB 4013A specifically removes wine glass from the definition of covered products for the period of July 1, 2025 to June 30, 2026 which means if HB 4013A passes, CAA will have NO responsibilities for managing collection and processing costs for wine glass from July 1, 2025 to June 30, 2026.

Second, CAA testimony provides that as written, HB 4013A would require CAA to create two cost models for glass producers – one in which wine producers share the cost of glass recycling and one where they do not.

It is unclear what period of time is being referenced for this statement. However, what this statement and the testimony more broadly does not address is the fact that if HB 4013A *does not pass*, CAA will need to create two cost models for glass producers **THIS year** before July 1, 2025 to account for the possibility that wine glass will be added to the Bottle Bill during the 2025 legislative session before July 1, 2025. So, developing two cost scenarios is not something that can be avoided **and** the work would need to happen at an earlier stage if HB 4013A does not pass.

Third, Circular Action states that if wine bottles are included in the state bottle bill by July 1, 2026, CAA estimates that the cost to the non-wine glass producers left funding the system would be significantly higher and potentially could be double the cost versus having wine included in the system.

We have strong concerns about this. This statement makes it very clear that the other glass producers will have a vested interest in keeping wine glass in the EPR program if we are not excluded from the program from the outset because the costs would be nearly double for operating the system without our members' glass material and corresponding fees to cover the initial infrastructure and ongoing fixed costs associated with collecting glass in EPR. We need to be able to focus fully over the next year on working toward getting wine bottles in the bottle bill so that we are as successful as we can be with that effort and avoid having the fight about removing our glass with other stakeholders in the EPR system a year or so after EPR program has started.

Passing HB 4013A provides the signal to CAA that they should start preparing now for the possibility that wine bottles will not be in the EPR program on July 1, 2025. Waiting to plan for their exclusion until legislation passes during the 2025 session would mean changes to the program plan and fees for glass would be necessary at the time when the EPR program is actually set to go live.

Thank you for this opportunity to provide testimony in support of HB 4013A.