



Feb. 18, 2025

TO: Members of the House Committee on Climate, Energy, and Environment

FR: Derek Sangston, Oregon Business & Industry

RE: Opposition to HB 2062

Chair Lively, Vice-Chair Gamba, Vice-Chair Levy, members of the House Committee on Climate, Energy, and Environment. For the record, I am Derek Sangston, policy director and counsel for Oregon Business & Industry (OBI).

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 HB 2062 as drafted. While OBI strongly supports the safe handling and responsible stewardship of batteries once they are disposed, we must oppose HB 2062 because the bill would impose further burdens on businesses working to comply with the implementation of extended producer responsibility (EPR) programs already, or soon to be, required under Oregon law. As currently drafted, the bill also does not conform to other battery EPR programs passed by other states.

During the 2021 session, the Legislature passed the Plastic Pollution and Recycling Modernization Act (the RMA), which is an EPR program meant to improve and modernize recycling in Oregon. That bill hopes to increase the recyclability of packaging, in part, by providing waste haulers and local governments resources so they can invest in new recycling infrastructure. In addition to that program, the legislature also recently modernized its electronic recycling program. When it passed HB 3220 in 2023 (E-Cycles Program), the Legislature established an electronics producer responsibility program.

While neither of those programs is currently operative, the RMA is slated to begin directing investments in new recycling infrastructure later this year and recent rulemaking directs the much more broadly applicable the E-Cycles Program to launch starting in 2026. For some producers, HB 2062 would establish a third EPR program with which they must comply starting by July 2028. Since the RMA and the E-Cycles Program have not yet been implemented, HB 2062 would serve to add one more layer of regulation on those businesses that are already struggling to comply with new laws that are already causing considerable uncertainty, especially the requirements to accurately report their covered materials and determine the costs for which they are responsible.

While we understand a forthcoming amendment will address several industry concerns and better align HB 2062 with similar programs passed by other states, OBI is concerned that HB 2062 would still deviate from model legislation establishing battery EPR programs. Making the following changes would improve HB 2062:

1. Section 11 and Membership Fees. This section contains a statement that battery stewardship organization (BSO) fees must incentivize eco-modulation so that producers will continually reduce environmental and health impacts of covered products, encourage designs to facilitate reuse and recycling, encourage the use of recycled content in batteries, and other requirements. BSOs are unable to facilitate the concept of eco-modulation and such eco-modulated fees piloted in other markets have proven impossible to measure to decide “winners and losers.” PRBA suggest replacing “must” with “may” to make eco-modulation voluntary, or strike the section all-together. This item is addressed in a working draft based on conversations between PRBA and Metro and DEQ, but not yet part of the bill as proposed.

2. Section 13: Fees. The section states “The Environmental Quality Commission shall establish the following fees for the purpose of paying the costs of administering section 2 to 17 of this Act:” PRBA strongly opposes such open-ended fees. Any fees should be a known value for budgeting purposes and capped to avoid future disagreements on what is considered reasonable.

Thank you for your consideration.

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