

March 25, 2025

House Committee on Climate, Energy, and Environment Oregon State Capitol 900 Court Street NE Salem, OR 97301

RE: HB 3780 – Oppose

Chair Lively, Vice Chairs Gamba and Levy, and committee members,

Circular Action Alliance is a 501(c)(3) organization dedicated to helping producers comply with Extended Producer Responsibility legislation for paper and packaging.

Since 2023, CAA has been preparing to successfully implement Oregon's EPR program under the Recycling Modernization Act. Oregon's Department of Environmental Quality has approved CAA's program plan, and we are preparing to launch the program on July 1 of this year. We are also the approved Producer Responsibility Organization in California, Colorado, and Minnesota, and are the PRO appointed to represent the interests of producers on the advisory council in Maryland.

CAA's role in Oregon includes developing a network of recycling centers and providing funding for local governments, the service providers that collect and transport materials, the facilities that sort and sell materials for recycling, as well as supporting recycling education statewide. CAA must ensure these expenses are equitably distributed among producers.

Managing covered recyclable materials incurs costs at every stage, which are reflected in the fees paid by producers. Excluding materials managed in the system, therefore, represents an additional cost to the producers of all other covered materials. This creates a situation also known as "free riders".

A key principle of our organization is to ensure a level playing field for producers by working with regulators to reduce free riders and providing clear and consistent guidance on reporting to ensure each producer pays their fair share for extended producer responsibility programs.

The current estimated fees in CAA's approved program plan for newspaper producers are the lowest fees available, estimated at \$0.01/pound of material sold in Oregon. Additionally, the RMA allows newspaper producers to contribute to the program by providing in-kind advertising that promotes the recycling system in Oregon. CAA has a supply-driven process for determining the fees producers pay for the materials they put into the marketplace. As a result, any changes to the covered materials at this time will impact the fee-setting process ahead of the July launch.



In preparation for RMA implementation on July 1 of this year, CAA's Oregon team is actively engaging with communities targeted for funding, many of which are underserved rural communities. In addition, recycling sorting facilities are actively investing in new equipment and technologies based on anticipated CAA funding.

CAA is engaging with producers as they work to meet the registration and reporting deadline of March 31, which is just a few days away. CAA is ready to implement our plan as part of this landmark legislation that makes Oregon a national leader in EPR for paper and packaging. Advancing any legislation that changes the structure of the RMA just months before launch creates uncertainty at a time when all efforts should be focused on implementation.



