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**The webinar will begin shortly.**



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The webinar

Q&A

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**PSI is a policy expert and consulting nonprofit that powers the emerging circular economy.**

**WEBINAR SERIES: PREPARING PRODUCERS FOR OREGON PACKAGING EPR**

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# **Consumer Goods & B2B Packaging**

**Oregon Department of Environmental Quality  
Extended Producer Responsibility packaging law  
August 6, 2024**



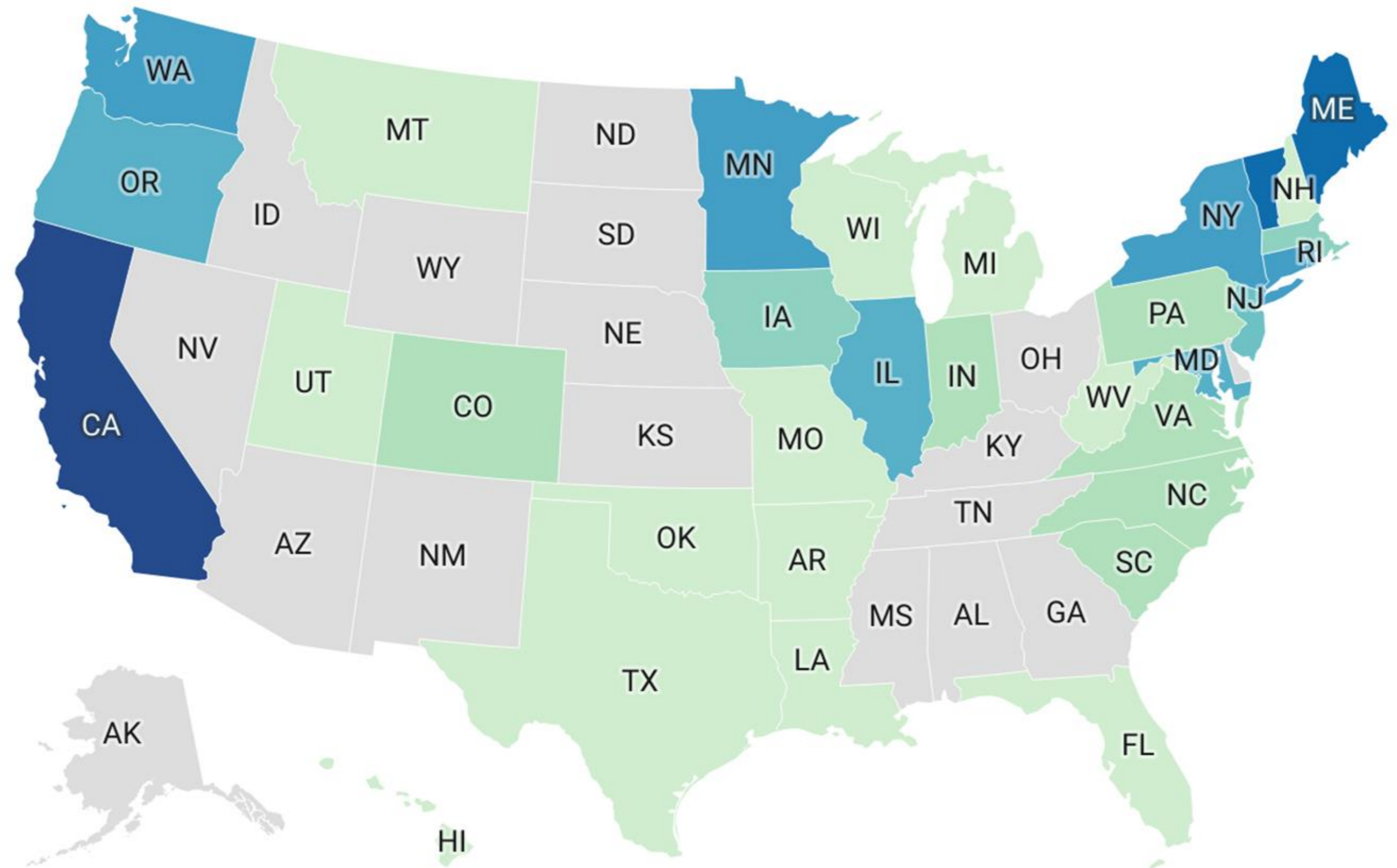
# Who is Product Stewardship Institute?

- **National nonprofit:** 23 years
- **Focus:** Consumer products and packaging
- **Members:** State & local gov't's /Board of Directors
- **Partners:** Business, non-profits, int'l gov'ts, academic
- **Collaborative problem solver**
- **Multi-stakeholder engagement**



# U.S. EPR LAWS 2024

**139** laws  
**19** products  
**33** states



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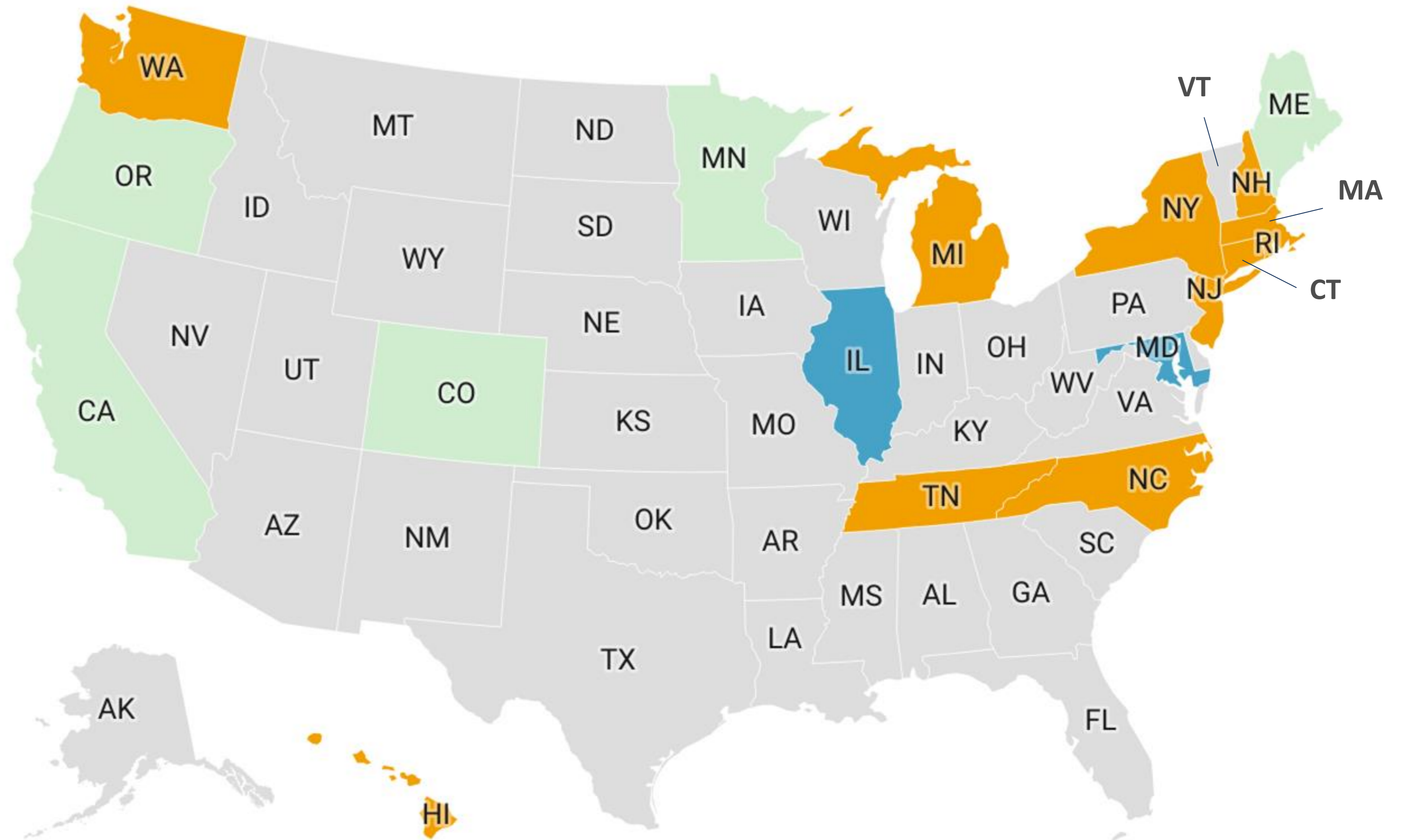
Number of State EPR Laws





# U.S. PACKAGING EPR LAWS AND BILLS

## 5 LAWS

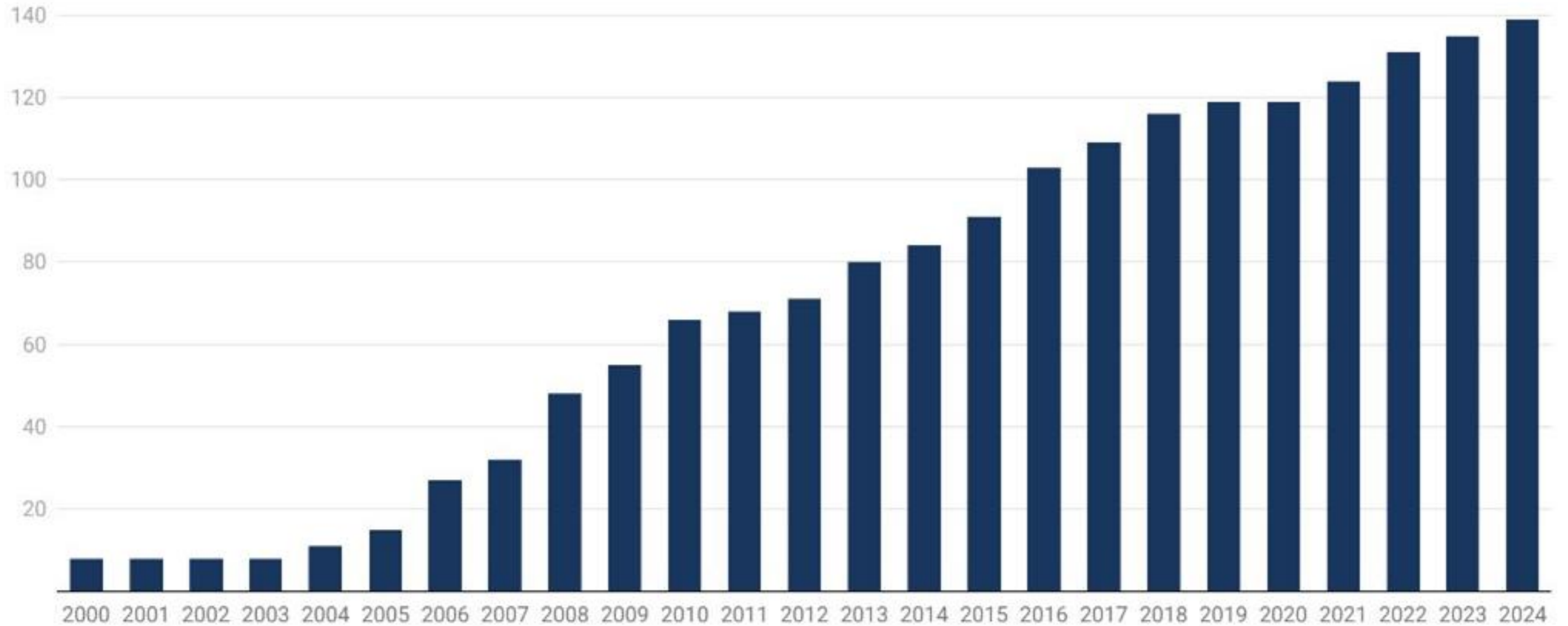


- Orange square: Packaging EPR bills 2023-2024
- Blue square: Packaging needs assessment laws enacted
- Green square: Packaging EPR laws enacted

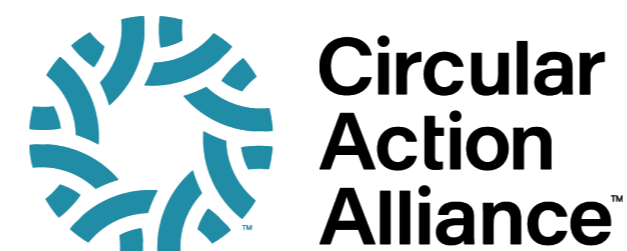
©Product Stewardship Institute, 2024



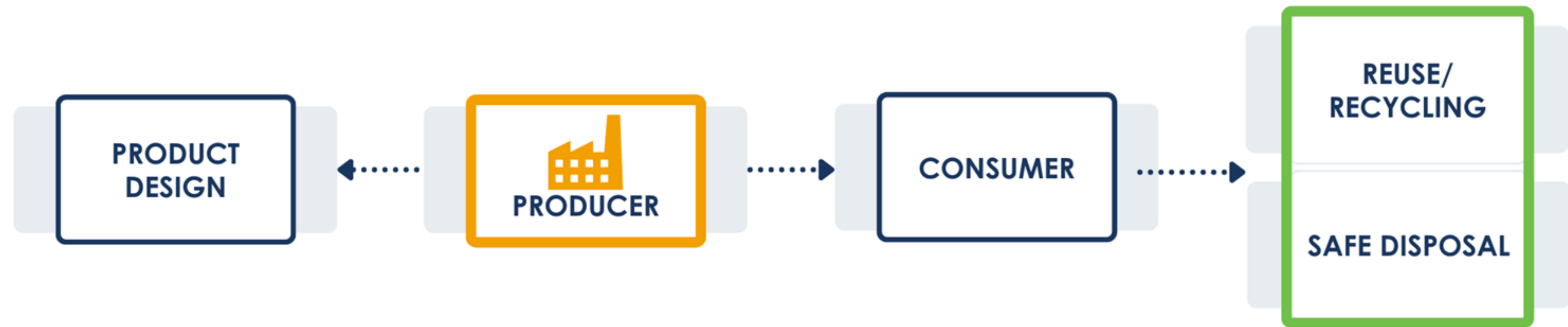
# U.S. EPR LAWS SINCE 2000



↑  
PSI  
Founded



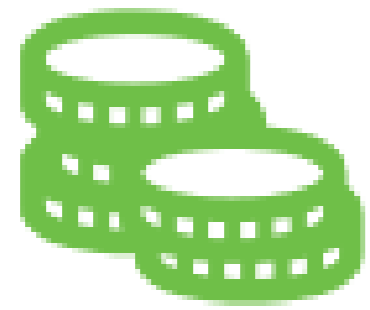
# EXTENDED PRODUCER RESPONSIBILITY



A **law** that **extends** a producer’s financial and managerial **responsibility** for its products and packaging beyond the manufacturing stage — both **upstream** to product design and **downstream** to **postconsumer** reuse, recycling, or safe disposal.

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# WHY EPR?



Reduces **government costs**



Incentivizes **waste reduction, reuse, recycling**



Increases **collection convenience, education**



Establishes **performance goals** to gauge program effectiveness

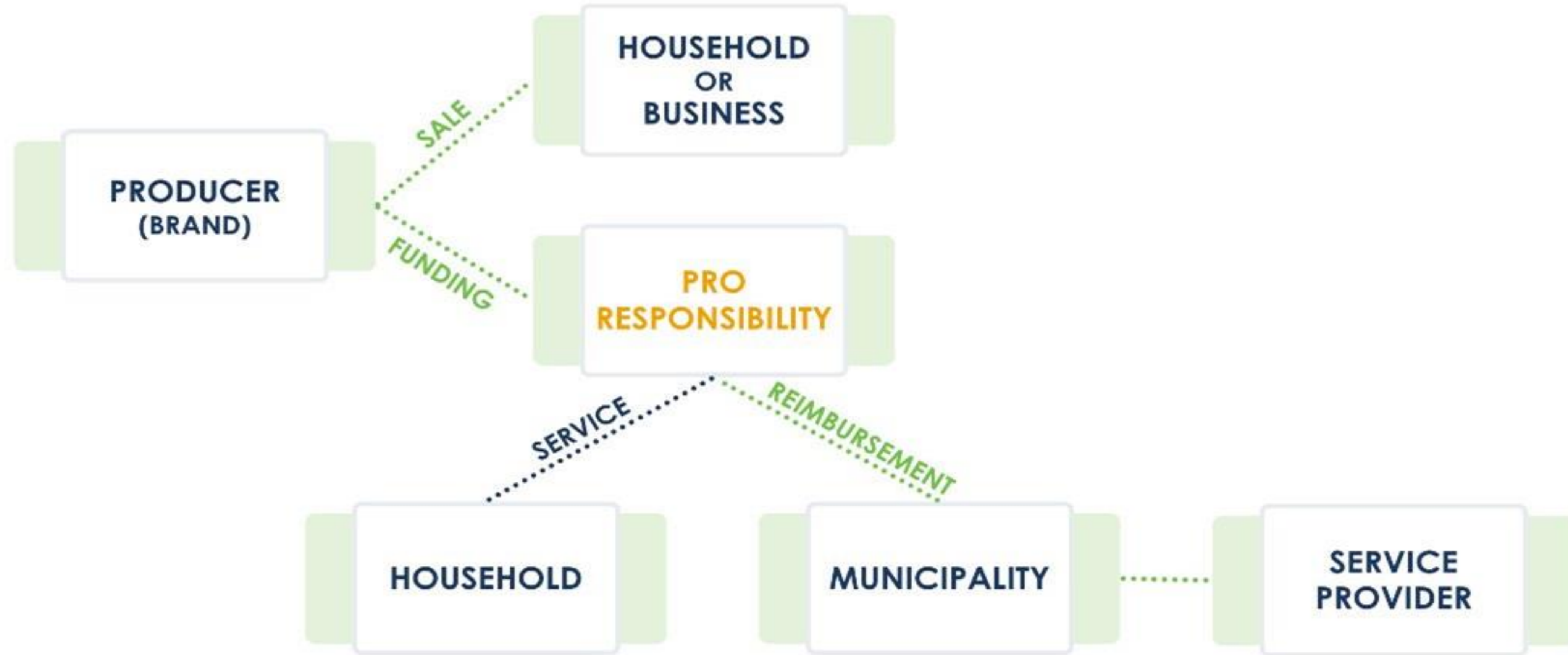
# ELEMENTS OF EFFECTIVE EPR LAW

Covered Materials/Products	Governance (PRO, Advisory, Govt)	Performance Standards	Stewardship Plan Contents
Covered Entities	Funding Inputs	Outreach & Education Requirements	Annual Report Contents
Collection & Convenience	Funding Allocation	Equity & Environmental Justice	Implementation Timeline
Responsible Party ("Producer")	Design for Environment	Enforcement & Penalties for Violation	Additional Components & Definitions

# Current Recycling System



# Packaging EPR Recycling System



# EPR: Network of Accountability

- Producers
- Collectors
- Recyclers
- Retailers
- Municipalities
- State agencies
- Consumers



# OREGON'S RECYCLING MODERNIZATION ACT



81st OREGON LEGISLATIVE ASSEMBLY—2021 Regular Session

**Enrolled  
Senate Bill 582**

Sponsored by Senator DEMBROW, Representative SOLLMAN; Senators MANNING JR, TAYLOR, Representatives ALONSO LEON, CAMPOS, DEXTER, GRAYBER, HELM, HOLVEY, HUDSON, KOTEK, MARSH, MCLAIN, NERON, NOSSE, POWER, PRUSAK, REYNOLDS, SALINAS, SANCHEZ, SCHOUTEN, SMITH WARNER (Pre-session filed.)

CHAPTER \_\_\_\_\_

AN ACT

Relating to modernizing Oregon's recycling system; creating new provisions; amending ORS 90.318, 459.005, 459.015, 459.035, 459.772, 459.995, 459A.005, 459A.007, 459A.008, 459A.025 and 459A.080 and section 3, chapter 534, Oregon Laws 2015; and repealing ORS 459A.675, 459A.680 and 459A.685.

Be It Enacted by the People of the State of Oregon:

**MODERNIZING OREGON'S RECYCLING SYSTEM**  
(Legislative Findings; Definitions)

**SECTION 1. Legislative findings.** The Legislative Assembly finds and declares that:

(1) Oregon's statewide recovery rate, which seeks to preserve public health, safety and welfare and conserve energy and natural resources, has declined each year between 2013 and 2018, and that Oregon is not on track to meet the statewide waste recovery and generation goals pursuant to the measurement methodology that the Legislative Assembly established in 2015.

(2) The way Oregon's residents use and consume materials and products, and the way residents manage them when no longer wanted, has changed significantly in the 35 years since Oregon's first recycling programs were established, that the state's recycling policies were not designed to address such changes, and that these factors have created unintended consequences, such as the deterioration of natural systems regionally and worldwide, as well as increased levels of pollution, greenhouse gas emissions that contribute to global climate change and reductions in human well-being, especially for the most vulnerable populations.

(3) It is necessary to adopt a policy that will minimize such unintended consequences across the entire life cycle of products and that will require producers of packaging and printed paper sold or distributed in Oregon to help finance the management of, and ensure an environmentally sound stewardship program for, their products.

(4) It is the State of Oregon's policy to prioritize practices that prevent and reduce the negative environmental, social, economic and health impacts of production, consumption and end-of-use management of products and packaging across their life cycle, and that it is the obligation of producers to share in the responsibility to reduce those impacts.

**SECTION 2. Definitions.** As used in sections 1 to 43 of this 2021 Act:

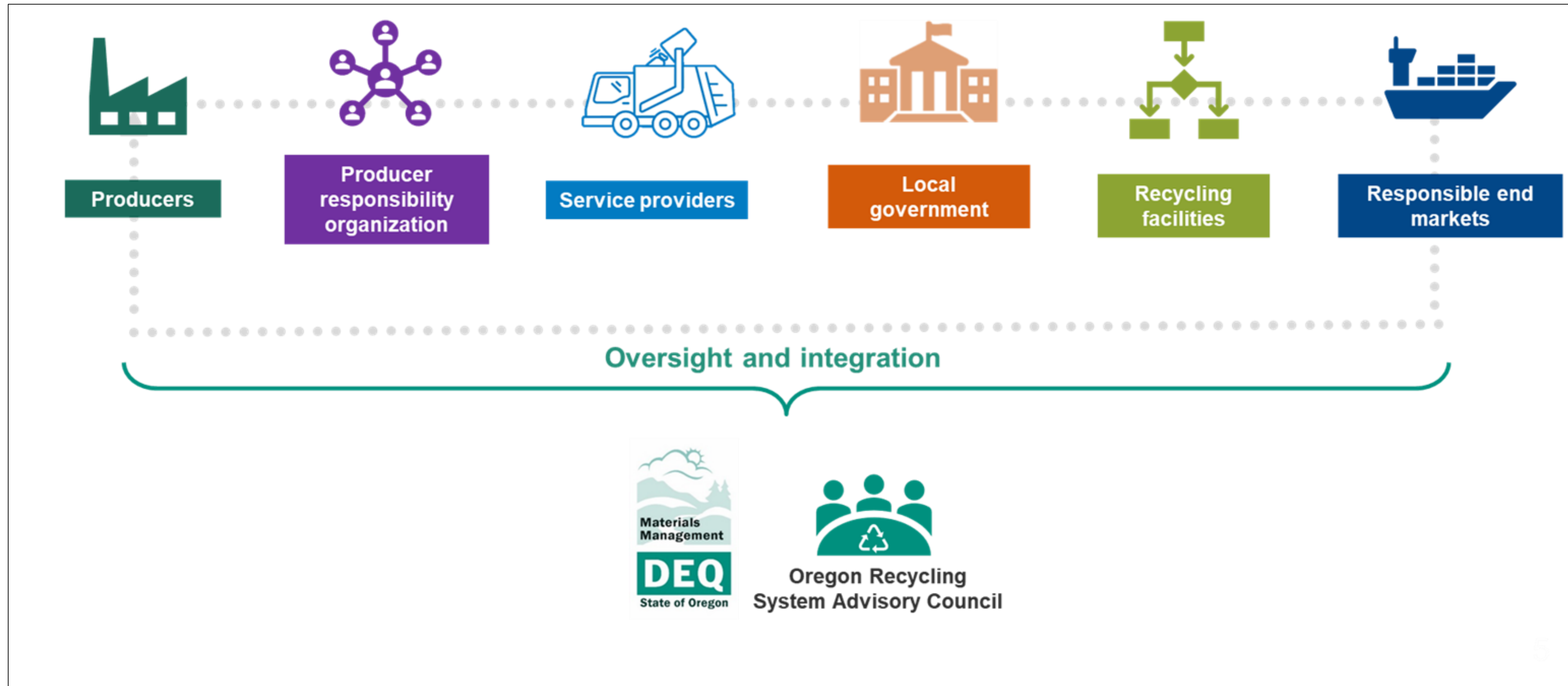
Enrolled Senate Bill 582 (SB 582-B) Page 1



# OREGON'S ACT: HOW DID WE GET HERE?



# SHARED RESPONSIBILITY MODEL



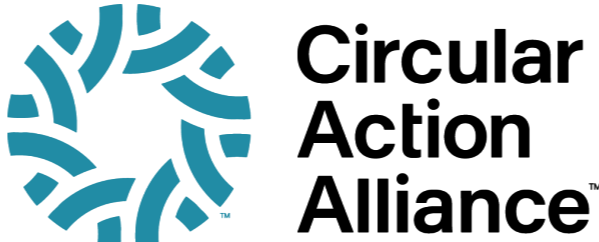




# A Modernized Recycling System

# EXPANDING RECYCLING SERVICES

Funding to level the playing field among our communities.



# STATEWIDE COLLECTION LIST

Oregon commits to recycling better



# MATERIAL PROCESSING

New standards for sorting quality, managing contamination, reporting, and paying workers a living wage.



# EDUCATION & CONTAMINATION REDUCTION

Direct community engagement is an integral part of improvement



# PRODUCER RESPONSIBILITY

Producers pay  $\frac{1}{3}$  -  $\frac{1}{2}$  of system costs



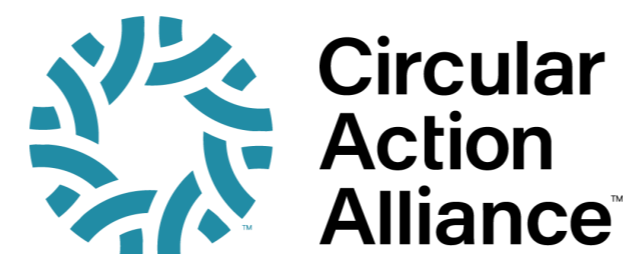
# PRODUCER OBLIGATIONS

- Join a PRO
- Report data on product sold in or into the state
- Pay fees
- **Large Producers only** - Evaluate and disclose the environmental impacts of 1% of products every two years

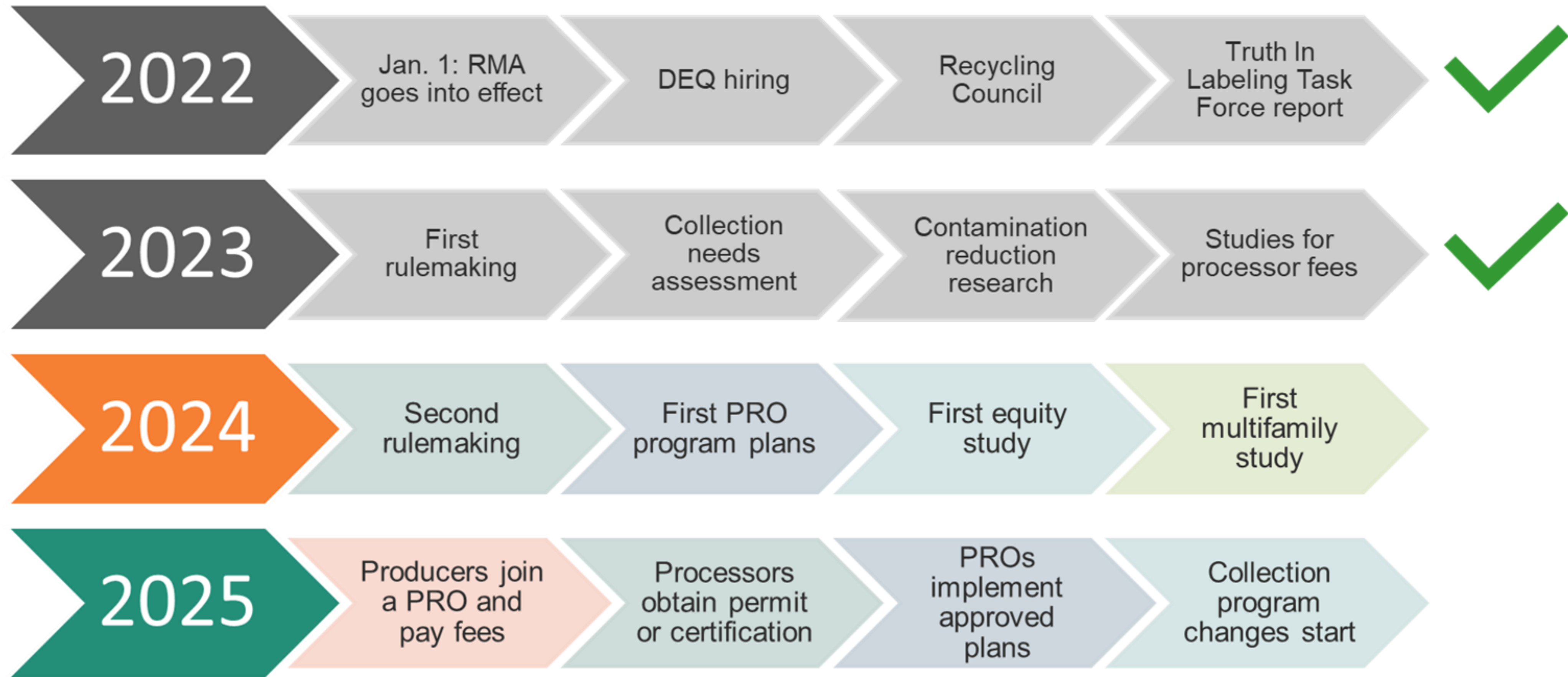


# ENFORCEMENT APPROACH

- Rules proposed as part of the current rulemaking:
  - Failure to join a PRO (any producer) = Class I violation
  - Failure to submit an impact evaluation (large producers) = Class II violation
  - Misreporting of supply volumes (any producer) = Class II violation



# IMPLEMENTATION TIMELINE



# KEY DATES FOR PRODUCERS

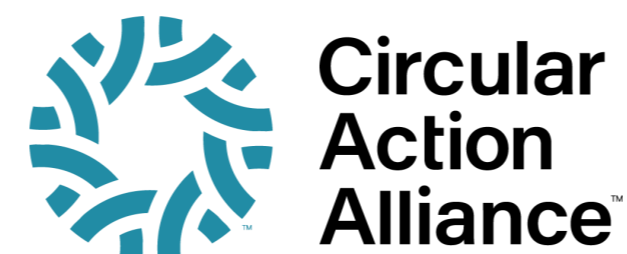
CAA producer  
working group join  
date  
July 2024

Likely PRO plan  
approval  
Early 2025

Producer  
pre-registration  
Mar. 31, 2025

PRO plan due  
Mar. 31, 2024

PRO plan start  
date  
Jul. 2025



# INFO FOR CONSUMER GOODS & B2B PRODUCERS



# WHAT IS CONSUMER GOODS & B2B PACKAGING?



“Consumer goods” packaging

“B2B” packaging

# IS IT A COVERED PRODUCT?

459A.863(18)(a) “Packaging” means:



(A) Materials used for the containment or protection of products, including but not limited to paper, plastic, glass or metal or a mixture thereof;



(B) Single-use bags, including but not limited to shopping bags; and



(C) Nondurable materials used in storage, shipping or moving, including but not limited to packing materials, moving boxes, file boxes and folders.

# THREE PROPOSED SUBCATEGORIES OF PACKAGING



Storage Items - an item purchased empty and used for storage of other materials.



Service Packaging - packaging that is filled at the point of sale for the purpose of transferring goods to a consumer.



Consumer Wraps – wraps sold directly to consumers.

# DIFFERENTIATING COVERED PRODUCTS



Packaging (*storage item*)



Not a covered product



Packaging or Printing and Writing Paper  
(*case specific*)



Packaging



Food serviceware



Food serviceware



Packaging

# NOTABLE EXEMPTIONS

## In statute



## Proposed in rule



# NOTABLE EXEMPTIONS (CONT.)



*Trays that transport component parts to a manufacturer*



*Pallet wrap added by someone other than the obligated producer*



*Cores and wraps for packaging rolls used in manufacturing*



*Rigid pallets*

# NOTABLE EXEMPTIONS (CONT.) – NON-OTR RECYCLING

Three criteria for qualification –

- 1) Collected outside of Opportunity To Recycle
- 2) Not separated at a commingled recycling processing facility
- 3) Recycled at a responsible end market

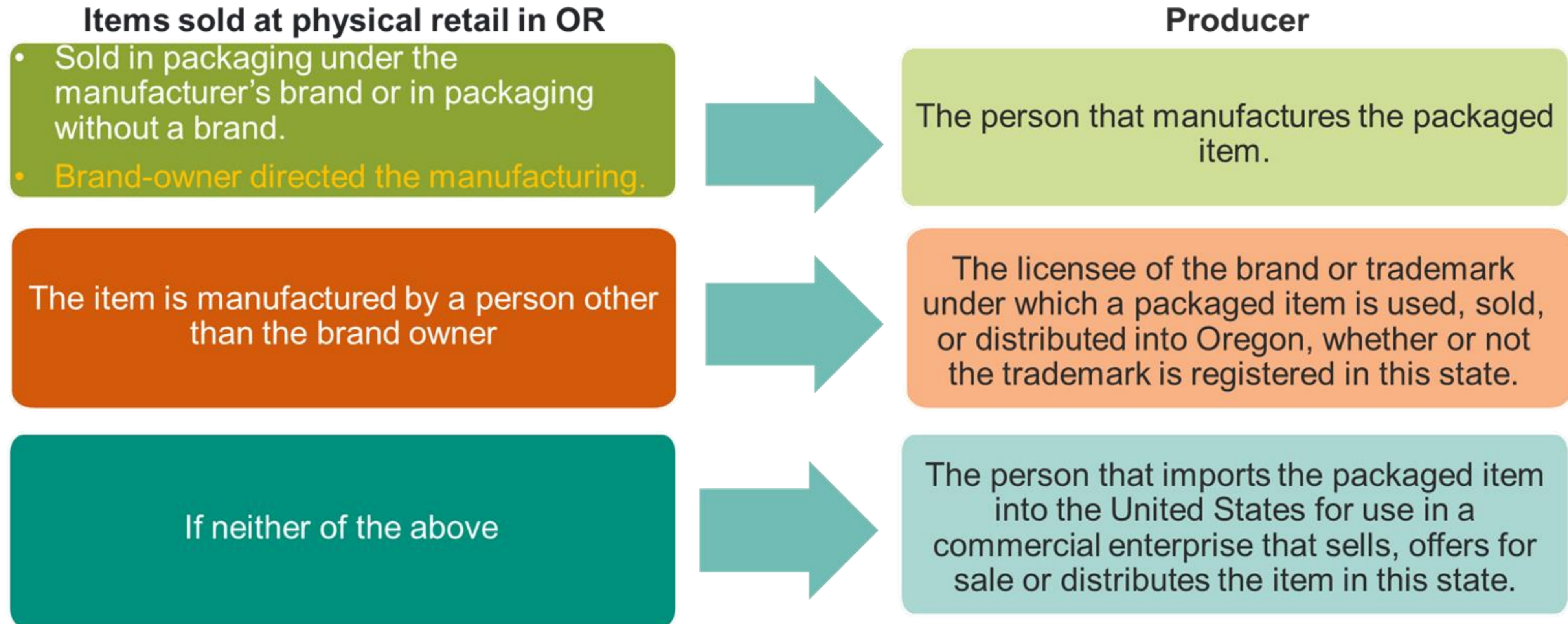
*Exemption applies only to the proportion of a producer's product that meets all three criteria.*



# AM I AN OBLIGATED PRODUCER?

- Small producers are exempt (ORS 459A.863(32))
  - (32)(c) Gross annual international revenues under \$5 million (lumped across associated producers), –or–
  - (32)(d) Sells less than one metric ton of covered products onto the market in Oregon (lumped across associated producers)

# PRODUCER DEFINITION FOR RETAIL PRODUCTS



--If no producer captured by any of the 3 tiers – distributor is obligated--

# PRODUCER DEFINITION FOR REMOTE DISTRIBUTION

The producer of packaging used to ship an item to a consumer is the person that packages and ships the item to the consumer.



The producer of the inner product uses the same three tiers shown on the previous slide.



# PRODUCER SCENARIOS



# SCENARIO #1



Food and beverage  
**Company A** manufactures cereal at its plant in the US.



**Company A** packages it into boxes bearing its brand, puts it into tertiary packaging (boxes, pallets, pallet wrap) and ships it to **Retailer B**.

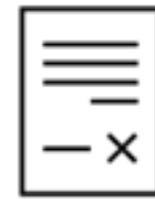


**Retailer B** sells it to consumers.

## Who is the obligated producer?

Tier 1 of the retail product producer definition applies.  
**Company A is obligated for all packaging besides the pallets (which are exempt).**

# SCENARIO #2



Food and beverage **Company A** contracts with food **Manufacturer B** to produce cereal and package it into boxes bearing **Company A's** brand in accordance with a simple contract.

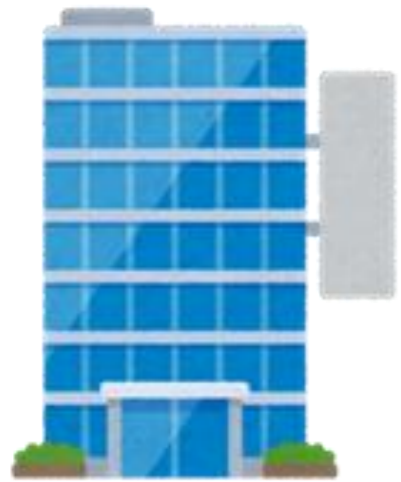
**Company B** subsequently applies tertiary packaging and ships the product to **Retailer C**.

**Retailer C** sells to the consumer.

## Who is the obligated producer?

If Company A directs the manufacturing through its contract, Tier 1 of the retail product producer definition applies, and **Company A is the obligated producer for all packaging besides the pallets (which are exempt)**.

# SCENARIO #3



Food and beverage **Company A** licenses its brand to food **Manufacturer B** which produces cereal and packages the cereal into boxes bearing **Company A's** brand in accordance with a licensing agreement.

**Company B** subsequently applies tertiary packaging and ships the product to **Retailer C**.

**Retailer C** sells to the consumer.

## Who is the obligated producer?

Tier 2 of the retail product producer definition applies.

**Company B is obligated for all packaging besides the pallets (which are exempt).**

*Note: in this scenario, in contrast to Scenario #2, Company B is directing manufacturing.*

# SCENARIO #4



Food and beverage  
**Company A**  
manufactures cereal at its  
plant outside the US.



**Company A** packages it  
into boxes bearing its  
brand, puts it into tertiary  
packaging.



**Importer C** imports the  
product into the US and  
then sells it to **Retailer B**.



**Retailer B** sells it  
to consumers.

## Who is the obligated producer?

Tier 3 of the retail product producer definition applies.  
**Importer C is obligated for all packaging besides the pallets (which are exempt).**

# SCENARIO #5



**Company A** manufactures a storage item bearing its brand that reaches the consumer empty at its plant in the US.



**Company A** packages the storage items into tertiary packaging (boxes, pallets, pallet wrap) and ships them to **Retailer B**.



**Retailer B** sells to consumers.

## Who is the obligated producer?

If the proposed rules with an adapted 3-tiered definition go into place, Tier 1 would apply, and **Company A would be obligated for the storage items and all packaging that contain the storage items besides the pallets (which are exempt).**

# SCENARIO #6



Packaging **Company A**  
produces brown grocery  
bags that are purchased by  
**Distributor B**



**Distributor B** distributes them to  
**Retailer C**



**Retailer C**  
consumers use bags  
to bag their groceries

## Who is the obligated producer?

Distributor is (proposed as) obligated for service packaging.

# SCENARIO #7



Out-of-state appliance producer puts its products into tertiary packaging and sells them to **Distributor B** in Oregon.



**Distributor B** removes the old tertiary packaging, applies new pallet wrap, and distributes it to **Retailer C** in Oregon.



**Retailer C** sells the appliance to customers.

## Who is the obligated producer?

The appliance producer is responsible for all packaging except for the pallet wrap applied by Distributor B (exempt).

# SCENARIO #8



Out-of-state appliance producer puts its products into shipping packaging and sells it to **Distributor B** outside of Oregon.



**Distributor B** removes the old shipping packaging, applies new shipping packaging, and distributes it to **Retailer C** in Oregon.



**Retailer C** sells the appliance to customers.

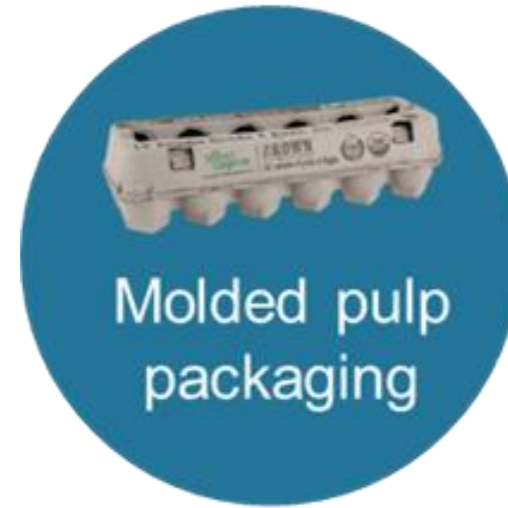
## Who is the obligated producer?

The appliance producer is responsible for the primary and secondary packaging, but packaging removed in another state prior to distribution into Oregon is not a covered product.

Pallet wrap applied by Distributor B is exempt.

# MATERIAL LISTS

## Uniform Statewide Collection List



# MATERIAL LISTS

## Producer Responsibility Organization Depots



Aerosol  
cans



Aluminum  
foil



Pressurized  
canisters



Shredded  
paper



Glass bottles  
and jars



6-pack  
handles



Polyethylene  
film



Lids



Block white  
expanded  
polystyrene



Bulky plastic  
containers

# MATERIAL LISTS

## Specifically Identified Materials



Gable-top & aseptic cartons



Nursery Packaging



Metal aerosol containers



Cups



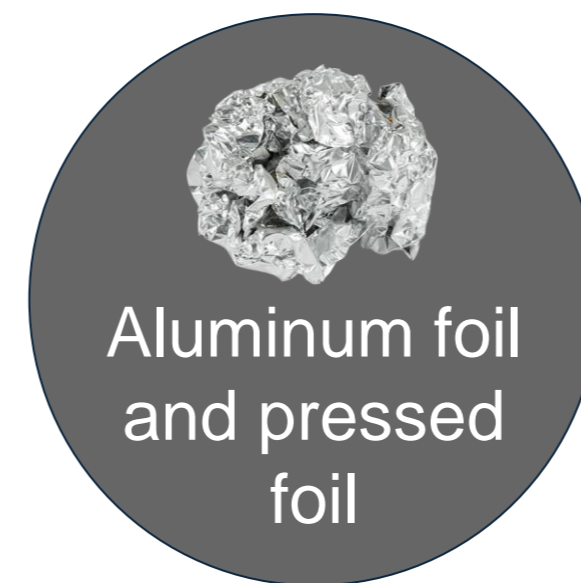
Polycoated paperboard



Shredded paper



Glass bottles and jars



Aluminum foil and pressed foil



PET Thermoforms

# ECO-MODULATION

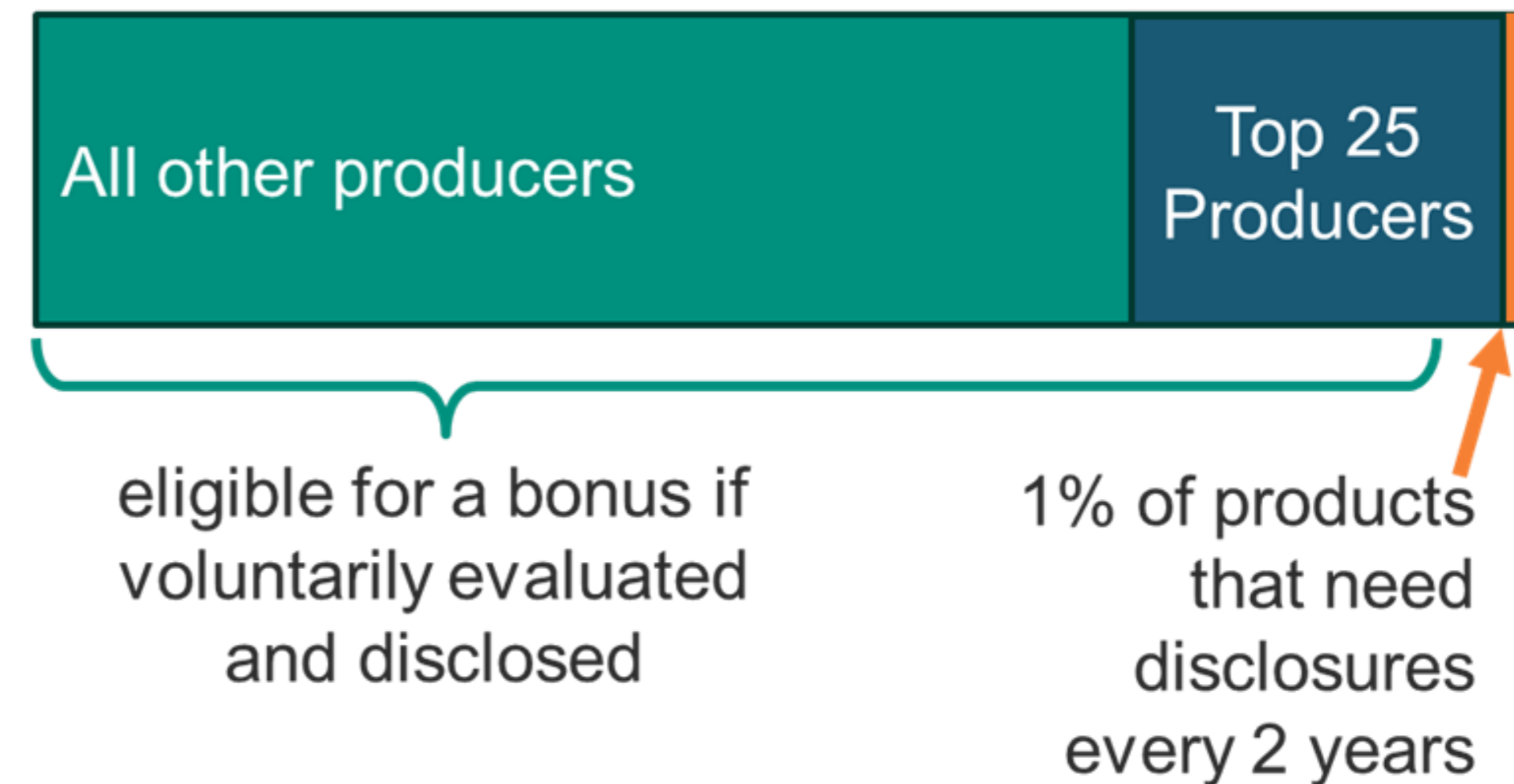
- Fee adjustments applied by the PRO to individual producers' (base) fees.
- PRO proposes criteria and magnitude of fee adjustments in its program plan, must continually incentivize reduction in environmental and human health impacts.
- Plan's proposed approach to eco-modulation must indicate consideration of five factors, including *evaluation and disclosure of life cycle impacts*.



# ECO-MODULATION/LIFE CYCLE ASSESSMENT: PROPOSED RULES

## Rules apply to...

- Top 25 producers that must disclose impacts for 1% of their products once every two years.
- These rules tell them how to define their 1%, the calendar for disclosure, and what to do for subsequent deadlines.
- PROs have to offer their member producers one bonus for simple evaluation and disclosure and a larger bonus for evaluation and disclosure that meets our threshold for substantial impact reduction.



# ECO-MODULATION/LIFE CYCLE ASSESSMENT

Impact Category Indicator	Seriousness Weighting	Robustness Factors	Intermediate Coefficients	Final Weighting
	(A)	(B)	C = A*B	C Scaled to 100
Climate change	14.41	0.87	12.54	21.24
Water use	10.88	0.47	5.11	8.66
Land use	10.16	0.47	4.78	8.09
Resources use, fossils	8.36	0.6	5.02	8.50
Resource use, minerals and metals	7.58	0.6	4.55	7.71
Ionizing radiation, human health	6.47	0.47	3.04	5.15
Ozone depletion	6.33	0.6	3.80	6.43
Particulate matter	6.2	0.87	5.39	9.14
<b>Plastic physical impact on aquatic biota</b>	5.88	0.17	1.00	1.69
Acidification	5.61	0.67	3.76	6.37
Photochemical ozone formation, HH	5.38	0.53	2.85	4.83
Eutrophication, freshwater	3.55	0.47	1.67	2.83
Eutrophication, terrestrial	3.3	0.67	2.21	3.75
Eutrophication, marine	3.29	0.53	1.74	2.95
<b>Plastic – other impacts</b>	2.61	0.60	1.57	2.65

# ECO-MODULATION/LIFE CYCLE ASSESSMENT

Additional Environmental and Human Health evaluation requirements, under which producers must:

- Report hazardous substances embedded in their products and any associated hazardous release, exposure, and/or alternatives assessments.
- Report any instances of non-compliance in any jurisdiction pertaining to customer health and safety.
- Cross-report EU sustainability reporting regarding material impacts of their packaging on affected communities.

# ADDITIONAL ASPECTS OF THE LAW

- Permit program for commingled recycling processing facilities (CRPFs)
  - Outbound bale contamination standards
  - Material-specific capture rate targets
- Joint obligation on 1. PROs and 2. CRPFs to send materials sent to recycling to responsible end markets that are
  - Compliant
  - Transparent
  - Environmentally-sound
  - Achieving adequate yields



# CAA's Producer Timeline



## Notes:

- Final first year fee schedule will likely be released in May 2025
- Signed agreements will be needed to allow for producer reporting

# Next Compliance Steps – Register with CAA

Regulations in Colorado require producers to register by **October 1, 2024**. CAA will also be required to provide the Oregon DEQ with a list of registered producers as part of CAA's revised program plan, due by September 27, 2024.

Early producer registration will help:

- Reduce free riders in the system (i.e., non-compliant obligated producers);
- Provide CAA with more precise producer data to inform accurate and fair fee schedules.

Registration consists of filling out CAA's registration form, available through the link, QR code and our website. To ease producer compliance, CAA is working to register all producers in Colorado, California, and Oregon. At this time, there is no cost to register.

Scan the QR code or click the link to complete CAA's [covered producer registration form](#).

This is the first step in the producer registration process.



# Producer Services and Reporting



- CAA is developing detailed guidance materials to provide reporting and compliance instructions to producers.
- Producers can expect guidance materials to be released by September 2024.
- CAA is working on the development of the producer reporting portal. Once finalized, Oregon's reporting categories will be added to the portal.
- CAA is projecting that the producer reporting portal will be ready to receive producers' data in Q1 2025.

# Stay Engaged with CAA

## Producer Resource Center

- Producer resources page with FAQs, Producer Working Group information and other updates

## Monthly Newsletter

- The latest updates for each state and new resources

## Producer Working Group

- Next PWG: August 22
- PWG is now closed to producers that have not registered
- Topic – Participant Producer Legal Agreement

Scan the QR code or click the link to complete CAA's [covered producer registration form](#).

This is the first step in the producer registration process.



# Webinar Series: Preparing Producers for Oregon Packaging EPR

**September 10** - E-Commerce and Online Retail Packaging



# WEBINAR SERIES: PREPARING PRODUCERS FOR OREGON PACKAGING EPR

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Thank you!



**PRODUCT  
STEWARDSHIP  
INSTITUTE**



**Circular  
Action  
Alliance™**



State of Oregon  
Department of  
Environmental  
Quality