June 27, 2025

Comments on the Circular Action Alliance's (CAA) May 16th Plan Amendment Submission

The Glass Packaging Institute appreciates the opportunity to provide comments on the third PRO Plan submitted by Circular Action Alliance (CAA) to implement the Oregon Plastic Pollution and Recycling Modernization Act.

GPI is the North American trade association for the glass food and beverage manufacturing companies, glass recycling processors, raw material providers and other supply chain partners within the industry. GPI and its members endeavor to work closely with local and state governments throughout the country on issues surrounding sustainability, recycling, packaging manufacturing and energy use, and our members have operations in the State of Oregon that would be a part of the service provider and end-markets covered by the plan. In addition, we take the concerns and questions of brand "producers" regarding costs for using glass very seriously, and work with them closely to help lessen the costs of choosing glass, a material that has a very high recycling rate in Oregon.

The glass industry seeks to be a collaborative partner in establishing Oregon's EPR program for packaging, and GPI has submitted comments at multiple stages of the rulemaking and program plan review. However, the establishment of the program has not given sufficient attention to glass. The result is that Oregon, which currently recycles glass at one of the highest rates in the country, is creating conditions for glass recycling rates to decrease. Further, brands may be encouraged to switch to plastic packaging - an outcome contrary to the intent of the law.

Most importantly, DEQ regulations are causing the Circular Action Alliance program plan to force costs up for glass relative to other materials - irrationally ascribing certain costs to glass for a small, minimal incremental increase in glass recycled in the state.

The CAA plan concludes on page 169 that: "sufficient capacity exists for glass today" and there is no need for an exploration of alternative glass markets. Under the shared cost model of the law in which producers are obligated for the costs of expanded or increased service, a material such as glass that already has sufficient capacity, end markets and recycling rates, would not be expected to have fees that far exceed materials requiring much greater investment.

GPI maintains that:

- Glass should not be designated as a Specifically Identified Material (SIM). Glass is already widely and successfully recycled in Oregon. To the extent that it is treated as an SIM, any costs associated with the SIM designation should be low since Oregon residents already have good recycling behavior for glass, access to glass recycling, and access to glass end markets. Expansion costs for depot and SIM listed materials should be limited to those materials with greater requirements for investment.

- The activity-based costing being used by CAA in fee settings is no longer an industry best practice and is being applied in a manner that unfairly ascribes costs to glass that are in fact beneficial to other materials as well.
- It is entirely unfair to charge glass-using producers an extraordinarily high blended rate of over $400/ton for "contamination" with a list of otherwise lighterweight materials during the transition time to a new system. The manner in which glass is handled today, prior to the RMA enactment, has been well established for decades in the State and did not fundamentally change. To the extent glass ends up in the wrong stream today is due to a lack of education in certain regions, and CAA glass producers should not have to shoulder that burden immediately. CAA has not had any time to implement new education programs, and the continued confusion with certifying domestic REMs has taken up valuable time needed to prepare residents for changing rules. A special category for glass should be established, different from other SIMs materials, and fairly assessed based on its own markets rather than as a part of a very high blended contamination rate during the early transition period.
- *We see no need for CAA to pay extra to communities to maintain existing glass in the curbside "glass on the side" programs.* Producers are obligated to pay for service expansion and the stakeholder discussions leading up to the statewide lists clearly discussed maintaining the historical use of curbside "glass on the side" access for residents in the Metro area. How the final regulations missed that clear delineation and only required glass on the side for "commercial" (potentially for multi-family housing) has not been explained by DEQ and is potentially a different system than the one deployed today in the residential Metro area due to volume at each commercial collection point.
- *Glass recycling already exceeds the 45 percent target regulatory rate for RMA covered glass.* The PRO plan states that RMA covered glass is already at a 49% recycling rate. This fact demonstrates that there is no need for an SIM designation for glass, or for incentive payments to communities. This is further evidence that a different transition plan for glass with lower costs is defensible within the regulations and program plan.

Specific to CAA's current proposed program plan amendment, GPI has the following comments:

1. GPI opposes the inability to apply "eco-modulated" fee benefits to glass without the need for each producer to conduct an expensive LCA to prove what OR DEQ already

knows regarding the well-established qualities of glass with regard to a lack of use of chemicals of concern. Glass is inert and conveys many benefits that are well-known and established in scientific studies. Glass does not use or leach toxic chemicals into the environment if it were to be mismanaged in the waste stream.

There are known and acknowledged flaws by OR DEQ in constructing a truly complete life-cycle assessment, due to a lack of data on the negative impact of mismanaged plastic waste in the environment. Waiting for a new study on marine debris impact before allowing glass to benefit from eco-modulation runs counter to the goal of addressing the data gap in LCAs. Glass-using producers should get a material-wide eco-modulation bonus immediately without the need for an LCA.

2. Glass provides the state with one of its most readily capable materials for reuse and refill. In fact, many glass food jar containers are likely reused by consumers at home for storage of leftovers today. New opportunities for reuse in covered product categories like wine also exist. Without these benefits receiving the ability to eco-modulate the fees in Oregon immediately, the fees go further down the path of merely being “weight-based” fees and irrationally doubling down on favoring plastic.

In addition, GPI is aligned with other program stakeholders on concerns with key recommendations to improve Bonus C regarding reuse. Those comments are below:

Clear Guidance on Fees for Subsequent Reuse Cycles is Essential:
A very important question for all producers considering or adopting reusable packaging systems is how fees apply to subsequent reuse cycles, which is vital for the long-term success of reuse in Oregon. The RMA and all related documents state that fees are based on materials "supplied into the state." While the Oregon DEQ has confirmed that reusable materials do not incur fees on additional cycles, CAA's plan and reporting portal provides **no** guidance on how these materials should be reported for their second, third, and later uses after initial EPR fees have been paid when they first enter the state. This current uncertainty could discourage the very reuse behavior the RMA is designed to promote, undermining a core objective of the Act.

Define "Adequate Scale" for Reuse Systems and Expand Eligibility:
CAA states the importance of "reuse and refill systems being defined to be at adequate scale and access in Oregon to qualify for the bonus. However, the plan currently provides no specific guidelines for what "adequate" means. This lack of clarity creates uncertainty and could exclude smaller, innovative producers and newer programs, even though they are often the ones who would benefit most from lower fees and initial support. Additionally, limiting the number of eligible SKUs discourages larger or complex. producers from continuing to expand their reusable packaging once they reach a certain point. Bonus C

should be accessible to all producers, regardless of size, who have switched to reusable packaging and can demonstrate a reduction in environmental *or* human impact.

Simplify Bonus Incentives for Reuse:
The proposed Bonus C incentives for reuse are currently **too complex.** For reuse to grow successfully and attract wide participation across diverse industries, the process for applying for, calculating, and receiving these bonuses must be clear, straightforward, and easy for all producers to navigate. Simplifying this process would greatly help the program's ability to promote reuse and reduce administrative burdens for all parties.

Ensure Fair Funding for Bonus C:
We strongly suggest that Bonus C be funded from a general pool of money collected from *all* covered materials that pay into the program. The proposed method of funding Bonus C (when a material switch isn't made) by "..levying a surcharge on each material category in the SKU, proportionate to the share of fees paid by each material making up the SKU," unfairly portrays transitioning to reusables as an extra burden on other producers. This could discourage early adopters and create conflict instead of cooperation within the industry. Funding from a common pool ensures fair support for all transitions to reuse/refill, matching the program's overall goal of reducing environmental impacts across the board.

Increase Bonus C Payouts and Adjust or Remove Caps:
The current $50,000 cap on Bonus C is a small incentive, especially when considering the significant investment required for businesses – from small wineries to major consumer brands – to switch to reusable packaging. This investment includes substantial costs for marketing, new logistics, consumer education and infrastructure.

While we understand the need to manage financial exposure, the principle that "the bonus is not intended to cover costs but to be correlated to impact" weakens the incentive's real-world value. If the bonus doesn't adequately help with the costs of switching to reuse or completing the necessary Life Cycle Assessment (LCA), it won't be a meaningful financial help for producers. Companies that invest in innovative return streams that effectively bypass the traditional recycling system through refill or reuse should not be penalized by insufficient incentives from a program designed to cut waste.

Thank you for your consideration of our comments and recommendations for improvement.

Sincerely,

Scott DeFife
President