

February 7, 2019

To: Chair Helm and Members of the House Committee on Energy and Environment
From: Paloma Sparks, OBI
RE: OBI Testimony in Opposition of HB 2772

Chair Helm and Members of the Committee:

Thank you for the opportunity to submit written testimony on this important issue for Oregon Business & Industry members. OBI is Oregon's most comprehensive business association representing approximately 1,600 businesses that employ nearly 330,000 people. We represent multiple sectors and serve as the state's Retail and Manufacturing Councils.

HB 2772 requires manufacturers and retailers of certain household products to participate in a regulatory product stewardship program.

Oregon manufacturers and retailers work hard to be good stewards of our environment. While we appreciate the sentiment of this measure, it is unclear what problem the measure aims to solve. The products under this program rely on federal laws and regulations that have no demonstrated connection for the need of a program in Oregon.

HB 2772 would increase costs to manufacturers by requiring the registration of an extensive list of covered products with a product stewardship organization. This measure also requires notification to consumers at the point of sale regarding collection opportunities for the covered product which impacts both manufacturers and retailers. Costs will be increased for manufactured products sold in Oregon and could create a disincentive for manufacturers to supply those products in our state. At the retail level, this will ultimately require an internal registry of covered items, decrease the quality of the customer experience, increase costs associated with staff training and materials, and generally an increase cost at every point in the supply chain, which will lead to an increased cost for consumers on everyday products. This mandate is unnecessary and overly-cumbersome for Oregon's already regulated businesses.

Further, HB 2772 fails to take into account Oregon's current programs. According to DEQ, in 2013 88% of Oregonians had access to at least one comprehensive Household Hazardous Waste program, and 71% have a permanent facility in their county or access to it. Many counties have robust programs. Completely restructuring our system would undermine these programs and the good work that has been done. Additionally, mandates for broad collection of products such as the one under this measure ignore consumer behavior and their willingness to participate in a product stewardship program.

Oregon businesses already participate in programs through current state and federal laws like the Toxic Use and Hazardous Waste Reduction Act. Our members also participate in paint and electronic recycling programs. Oregon businesses are working hard to do the right thing, but through this measure are put in a challenging position.

HB 2772 covers a wide-reaching array of products, that will ultimately be too costly and cumbersome to manage - OBI urges the committee to reject HB 2772.

Contact: Paloma Sparks, OBI, palomasparks@oregonbusinessindustry.com