

March 13th, 2019

To: Senate Committee on Environment and Natural Resources From: Jules Bailey, Oregon Beverage Recycling Cooperative

Re: SB 892 – removal of products from the Bottle Bill

Chair Dembrow and members of the Committee,

Thank you for the opportunity to express concerns about SB 892. As the private industry steward of Oregon's landmark Bottle Bill, we take our responsibility to the environment, to our customers, and to industry very seriously. OBRC is opposed to SB 892 for three reasons:

- Integrity of the Bottle Bill: Quite simply, SB 892 creates a huge loophole. The Rules Advisory Committee to the OLCC discussed the "Pedialyte" style beverages at length in the rulemaking process. The committee specifically decided to include the product because there is no clear way of distinguishing this product from other electrolyte products. Proponents claim an FDA process provides a clear distinction from other products such as Gatorade or Powerade. In fact, it is our understanding the FDA does NOT approve the Pedialyte label and have NO labeling requirements beyond that which any other beverage must comply. The exclusion sought under this bill is because the makers of Pedialyte would prefer not to change their label to comply with Oregon law. Should other makers of electrolyte replacement products decide that their products could be used by children, much as Pedialyte's makers have decided their products could be used by athletes, Gatorade and other products could be out of the Bottle Bill.
- Fairness of the Bottle Bill: Oregon's Bottle Bill is unique in that it is facilitated by private industry. As such, a level playing field amongst products is very important. As the attached pictures show, Pedialyte is increasingly marketed as a sports drink and hangover cure, and is directly compared with Gatorade-type products. Removing that product from the Bottle Bill allows it to be sold more cheaply to retailers, and provides a competitive imbalance.
 - We owe it to our customers to be fair as well. Over **14,000** Pedialyte bottles were redeemed last year through machines. That does not count the thousands of bottles redeemed through the green bag program, nor generic versions of Pedialyte. If Pedialyte is removed from the Bottle Bill, it will strand deposits for thousands of customers who paid those deposits in good faith. OBRC has no way of knowing which bottles have had deposits paid and which did not. We would have to deny all deposit refunds on these containers going forward if this bill passes.
- Spirit of the Bottle Bill: Pedialyte comes in a plastic bottle. It creates litter and waste like any other plastic drink bottle. The Bottle Bill has been remarkably effective at reducing litter and increasing the quality of recycling. Removing a product from the Bottle Bill sets the precedent that depending on who consumes the product and for what reason, environmental concerns should be discarded. We believe this is contrary to the spirit of the Bottle Bill.

Example Pedialyte Marketing





