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**Senate Committee on Energy and Environment
Testimony in Opposition to SB 14
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Wine Institute is a public policy association representing 1,000 California wineries and associate members. The California wine industry is committed to sustainability with an impressive 80% of California's total wine production certified under a statewide sustainability program. The sustainability program encourages use of products with recycled content, reusability, takeback or recyclable packaging, and non-toxic materials. Wine Institute is committed to participating in discussions regarding the develop of efficient, cost effective means for handling wine packaging. While we support the objective of recovering more wine packaging, this bill creating a plastics stewardship program, with unlimited costs, is problematic for wine manufacturers using a small amount of specialized plastics.

We are opposed to SB 14, prohibiting a manufacturer from selling, or offering for sale (including remotely through the internet) plastic packaging that is not predominantly composed of recyclable plastics to be determined by the Environmental Quality Commission (EQC) by rule. Given the vague list of criteria provided in Section 9 of the bill, a manufacturer has no certainty whether their product packaging would be included on the EQC list. It should be clear from the bill language alone what plastic packaging is acceptable and what plastic packaging mandates participation in a costly stewardship organization. Businesses need to be able to calculate the cost of doing business in order to make choices on where and how to efficiently expend resources and sell products, which is impossible under this scheme.

Specialty Plastics used in the Wine Industry

187ml PET Bottles

There is a relatively small amount of wine sold in Oregon in 187ml PET bottles. This product is typically marketed in four packs offering consumers a wine product that is easy to open (screw top), transport (one-sixth the weight of glass) and consume (single-serving size). These lightweight PET wine bottles are also sold by airlines and public venues (sporting facilities, parks & concert venues) that are concerned with glass breakage and the weight to transport.

Currently, the suppliers of these bottles are using only virgin resin for the PET. These bottles have a special barrier coating which seals the container from the inside to protect the contents from oxidation and maintain a glass-like clarity. These bottles are recyclable with the barrier easily removed during the recycling process. Though recyclable, it is unclear if this packaging would make the EQC rule list. Data from Maine's bottle deposit law shows only 29 wine labels in PET 187ml bottles out of 37,000 registered labels. It is unreasonable to subject a small number of out-of-state wineries to costly regulatory requirements given the minimal quantity of recyclable plastics used.

Bag-in-the-Box Wine

It appears that "plastic packaging" could include the bladders in boxed wine. As currently produced, the bladders have a complicated design with layers of different material to achieve the needed functionality. The bladders are not currently recyclable because the wine bladder cannot be disconnected from the spigot and the bladder is made of multiple types of plastic resin. In many ways, box wine is more environmentally friendly packaging than bottles. This packaging, however, will likely not make the EQC rule list, thereby mandating that the manufacturers change their packaging or be part of the costly SO to continue to sell their product in Oregon.

Synthetic Wine Corks

It is also unclear whether synthetic corks would be considered "plastics used for the containment or protection of products." Under the bill, the use of a plastic wine closure could subject manufacturers to participation in the SO.

Unlimited Costs Associated with the Stewardship Organization

The bill requires the stewardship organization to:

- fully fund the "environmentally sound management" of covered plastic packaging;
- pay DEQ a fixed, one-time fee reasonably calculate to cover the costs or reviewing a plastics stewardship program plan; and
- pay DEQ an annual fee reasonably calculated to cover the costs of administering, implementing and enforcing Sections 1-11 of the Act.

The bill overreaches, shifting all the costs to the SO, including an unlimited amount to DEQ for regulatory activity. The total costs are apportioned to each manufacturer participating in the SO. This scheme provides no means for a manufacturer to reasonably calculate the cost of participating in the SO. Moreover, there is no shared responsibility to encourage consumers to be good stewards of the packaging, crucial to a healthy waste management system.

For these reasons, Wine Institute urges you not to move this bill forward. Broader stakeholder discussions regarding modernizing the waste management system in Oregon are necessary before deciding to burden wineries and other manufacturers with the total cost and responsibility for plastics.