



TESTIMONY OF
THE AIR-CONDITIONING, HEATING, AND REFRIGERATION INSTITUTE

BEFORE THE OREGON LEGISLATURE
SENATE ENERGY AND ENVIRONMENT COMMITTEE

HEARING ON SB 582

FEBRUARY 23, 2021

Chair Beyer, Vice Chair Findley, and members of the Senate Energy and Environment Committee, thank you for allowing the Air-Conditioning, Heating, and Refrigeration Institute (AHRI) to submit written testimony with respect to the proposed amendment and substitution to Senate Bill 582 (SB 582), related to single-use plastics and packaging and an extended producer responsibility (EPR) program in Oregon.

AHRI represents more than 320 manufacturers of air conditioning, heating, water heating, and commercial refrigeration (HVACR) equipment. It is an internationally recognized advocate for the HVACR industry and certifies the performance of many of the products manufactured by its members. In North America, the annual output of the HVACR industry is worth more than \$20 billion. In the United States alone, AHRI members employ approximately 130,000 people and support another 800,000 dealers, contractors, and technicians nationwide.

AHRI respectfully opposes the proposed amendment to SB 582. As currently drafted, the legislation through its definition of “producer” seemingly mandates that manufacturers bear the entirety of the cost of recycling, composting, and reusing product packaging. AHRI believes our industry can play an important role in the expansion of sustainable recycling and reuse programs across the country. However, putting the entire cost of the program primarily on manufacturers, including manufacturers operating facilities in Oregon, would be extremely burdensome for our members and may impact the cost of our members’ products.

In the face of the ongoing COVID-19 pandemic, it is especially critical that policymakers ensure access to AHRI member products that provide essential heating, cooling, refrigeration, and indoor air quality functions, rather than implement programs that may limit affordability or access. To that end, AHRI urges Oregon to consider a definition of producer that does not place the financial and managerial burdens of an EPR program solely on equipment manufacturers, and to consider fee structures that share the cost of the program across the distribution chain, so that manufacturers are not forced to bear the cost alone.

AHRI also has concerns about the broad nature of materials covered by this proposal and the lack of proper mechanisms to address exemptions. AHRI represents companies dedicated to manufacturing and installing highly effective and efficient heating, cooling, water heating, and commercial refrigeration systems for the health, safety, comfort, and productivity of the residents of Oregon. In order to safely transport, store, install HVACR and water heating equipment, our member companies use a wide variety of packaging and plastic materials. The packaging and plastics used by our members are specialized to ensure the safety of both workers and products during transport and installation.

AHRI believes the bill would be improved by including clear exemptions for all packaging that is non-consumer facing, including tertiary and transport packaging. Exemptions for non-consumer-oriented packaging are critical since these materials provide for the safe transport and storage of the highly sophisticated equipment manufactured by AHRI member companies.

Finally, AHRI requests that a pathway for granting material-specific exemptions be included in the final bill. A producer's ability to comply with the legislation's requirements will depend upon the availability of materials necessary for compliance. Further, as previously mentioned, materials that are critical for health, safety, and storage reasons should be exempted.

As such, while AHRI is supportive of moving towards increasing sustainability and the recycling and reuse of packaging materials, we believe it is necessary to amend the legislation to account for the implementation challenges identified in this testimony.

Thank you for the opportunity to submit testimony in consideration of SB 582.