

## HB 4013-1: One-Year Exemption for Glass Wine Containers under EPR

HB 4013-1 identifies glass wine containers as exempt from the definition of covered products in the Recycling Modernization Act until July 1, 2026. In addition, this bill ensures that the one-year exemption does not impact a Producer Responsibility Organization's ability to meet the glass collection target set out in rule by the Department of Environmental Quality as a part of the Extended Producer Responsibility program.

### Background

Since passage of the Recycling Modernization Act (RMA) in 2021, producers of beverage containers not currently in Oregon's Bottle Bill program-- such as glass wine containers-- have been in a fairly unique predicament relative to other producers subject to the RMA because there are two potential recycling programs for their primary containers in Oregon. When the RMA passed, legislative leadership directed the wine industry to figure out which program it wanted to join and communicated to the wine industry that it would support the path chosen by the wine industry. What was perhaps less clear to relevant parties at that time is the reality that reliable cost information for the Extended Producer Responsibility



(EPR) Program (born out of the RMA) would not be available until late 2024—a critical factor in making a decision about program participation. The wine industry has been working diligently over the last two years to evaluate both the EPR Program and the Bottle Bill program. The goal of industry was to develop a unified position on

program participation with enough lead time to pass legislation to transition glass wine containers into the Bottle Bill without bumping up against the operative date of the EPR program (if the Bottle Bill was the chosen program).



### Need for One-Year Exemption for Glass Wine Containers

#### *It's a sequencing, cycle, and timeline issue.*

Despite the wine industry's commitment to this effort, information gaps and sudden systemic upheavals have made reaching an informed, supportable decision impossible up to this point. Limitations of legislative cycles and the EPR program's operative date of July 1, 2025 compound these challenges. Specifically, there is no meaningful information available for wine producers about participating in the EPR system for glass wine containers and the earliest even loose estimates will be available to producers about participating in the EPR program is after the 2024 legislative session ends. In addition, cost and feasibility information provided to the wine industry leading up to the 2024 legislative session about participating in the Bottle Bill Program as members of the Oregon Beverage Recycling Cooperative (OBRC) is currently being reevaluated and additional time is needed to develop revised cost and feasibility estimates.



For these reasons, the wine industry did not have the opportunity to make an informed decision about either remaining in the EPR program or joining the Bottle Bill ahead of the 2024 legislative session. That leaves the 2025 legislative session. The 2025 legislative session ends just days before the EPR's operational start date of July 1, 2025, and the deadline for the Governor to sign legislation passed during the 2025 legislative session will fall after the EPR program's start date in 2025.

***The benefit of a one-year exemption for glass wine containers.***

- **TIME FOR WORKGROUP ASSESSMENT:** Provides time for subject matter experts at the legislature to convene a workgroup following the 2024 legislative session to look at modernizing Oregon's Bottle Bill and to produce recommendations at the end of that process. The workgroup will examine the topic of adding glass wine containers to the Bottle Bill as a part of its scope. This conversation and its outcomes are fundamental to selecting a supportable path forward for recycling glass wine containers.
- **RELIABLE COST INFORMATION ABOUT EPR:** Provides time for the DEQ Phase II rulemaking to be completed in November 2024, which is expected to have a significant impact on fee structures. Once that more reliable cost and compliance/reporting information is available about the EPR program for winery producers, they will need time to evaluate it and compare findings of the legislative workgroup.
- **AVOID CONFUSION:** If the determination going into the 2025 session is that the Bottle Bill is the best program for glass wine containers, the one-year extension allows the industry to focus on getting the legislative work done in 2025 and avoids the complication of simultaneously educating and preparing members for the possibility of participating in the EPR program immediately after session if our bill is not successful.
- **AVOID WASTE OF RESOURCES:**
  - **(Wineries)** Avoids use of limited resources between March 2024-June 2025 that would be needed to prepare budgets and compliance plans for an EPR program that they may or may not need to participate in for their glass wine containers. In addition, it allows producers to avoid duplicating their investments in initial infrastructure to accommodate glass wine containers through member fees in one program and then switching to the other in short order to do the same thing.
  - **(PRO)** Promotes more efficient use of resources for the Producer Responsibility Organization ahead of submitting the first program plan to DEQ by clarifying that they do not have plan obligations for glass wine containers before July 1, 2026. If glass wine containers were removed from EPR in the 2025 legislative session, it would require retooling of the system by the PRO and their contractors at the time the system is expected to go live.

HB 4013-1 Provides a straightforward, short-term solution: remove glass wine containers from the definition of covered products in the RMA for one year. During that year, glass wine containers have waste management obligations attributed to them similar to other non-covered products that consumers and businesses dispose of, like baby diapers, paper napkins, and bowling balls.

By virtue of the exemption timeframe, the bill creates a deadline for making a decision about the right program for glass wine containers and that timeline is much better suited to finding the right long-term solution for recycling of glass wine containers for the industry and for Oregon.

**SUPPORT HB 4013-1**



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