



February 27, 2024

To: Chair Sollman, Vice Chair Findley and Members of the Senate Energy and Environment Committee

From: Wine Institute

Re: Opposition to HB 4013 A

Wine Institute, a public policy association representing more than 1000 California wineries of all sizes, appreciates the opportunity to provide testimony regarding our major concerns with HB 4013 A. Our organization is engaged at the state level across the country in support of sustainable, effective and cost-efficient means for recycling wine packaging. Our members are significantly affected by any Oregon producer responsibility requirements for wine packaging and have a major stake in any decisions made on this issue.

We greatly appreciate Senator Sollman's leadership in seeking to convene a workgroup of the OBRC, wine industry and other stakeholders to seriously consider the inclusion of wine containers in Oregon's bottle deposit program as well as this Committee's support of that critical effort. We also appreciate the unique opportunity the wine industry was provided by the Oregon legislature to consider and make a decision about the inclusion of its primary packaging under the state's Deposit Return System (DRS) or the Recycling Modernization Act (RMA).

Understanding that this opportunity would require a timely policy decision, Wine Institute carefully vetted and evaluated the Oregon bottle bill program as well as existing and potentially new bottle bill programs around the country versus the RMA and other EPR packaging material programs. **In December 2022, Wine Institute's Board of Directors adopted a policy position supporting the inclusion of wine containers in Oregon's well-established and high-functioning DRS program, as the most effective and efficient approach for achieving maximum high-quality recycling outcomes, increasing the reuse and refill of wine bottles and advancing the industry's commitment to environmental sustainability.**

Wine Institute has worked with the Oregon wineries for years in support of collaborative efforts and developing unified positions on issues affecting the collective wine industry. As a part of our efforts in working together to try to reach a common industry position on this issue, we have been clear about our support for our position without delay. However, the in-state wineries support obtaining an additional one year to continue assessing this issue as provided by HB 4013 A.

After the adoption of the -2 amendments in the House HB 4013, Wine Institute moved its position from neutral to opposed given that these new changes would primarily fall on our members. Specifically, it now would impose a one-time fee to be calculated by the PRO (Producer Responsibility Organization) for handling of glass wine containers for the additional year that the in-state industry is seeking to continue to vet a policy decision on the Bottle Bill and the RMA.

Since most Oregon wineries are exempt from the EPR program thereby relieving them of any financial responsibilities and requirements for the PRO's handling of wine containers, this fee would be primarily borne by Wine Institute members, unless glass wine containers are covered under the Bottle Bill program. It is unfair to make decisions about our members being responsible for shouldering a significant portion of the Oregon wine industry's primary packaging waste costs as a condition for getting a one-year delay under HB 4013 A when we were excluded from the discussions in developing this requirement, have no control over decisions about when or if the bottle bill will be expanded to include wine containers and have not sought more time to make a policy decision about the Bottle Bill program.

In addition, as we continue to advocate in all states, including Oregon, for the broadest possible inclusion of wine packaging (beyond wine in cans already included in the OBRC program), it is disappointing that HB 4013 A is limited to only glass bottles for a one-year extension, thereby excluding wine in plastic formats like 187 mls which are a logical fit for the Bottle Bill program. By doing so, it gives the impression that the industry is already ceding the field on any forms of alternative packaging before the OBRC and future workgroup discussions and negotiations have begun. However, the bill automatically places the EPR burden on out-of-state suppliers who make the lion's share of these alternative packaging formats for wine which are enjoyed by Oregon's consumers.

The most constructive reasonable path forward is the industry's engagement in a much-needed concerted effort as proposed by Senator Sollman to convene a working group of the OBRC, the wine industry, and other industry stakeholders to consider the inclusion of wine containers in the Bottle Bill program. We are very concerned that HB 4013 A now jeopardizes this work group effort including wine containers in the Bottle Bill as we no longer have any confidence that an additional year for the in-state industry to continue vetting a policy decision between the two recycling systems will result in making timely decisions and the focus necessary to work out the details in developing recommendations for legislation in the 2025 session. Absent the thoughtful approach offered by Senator Sollman, we do not believe it will be possible to develop a comprehensive plan for effectively recycling and increasing reuse of wine containers as a part of Oregon's Bottle Bill program.

Thank you for your consideration of our comments on HB 4013 A.