



February 10, 2026

TO: Members of the House Committee on Climate, Energy, and Environment

FR: Derek Sangston, Oregon Business & Industry

RE: Support for the -1 amendment to HB 4030

Chair Lively, Vice-chairs Levy and Gamba, members of the House Committee on Climate, Energy, and Environment. For the record, I am Derek Sangston, policy director and counsel for Oregon Business & Industry (OBI).

OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

I want to begin by noting that a U.S. District Court in Oregon has ordered DEQ to cease enforcing the Recycling Modernization Act against some producers who sell packaging materials in this state. In granting that injunction against DEQ, the District Court pointed to serious questions about the law's constitutionality. The -6 amendment before the committee this morning would ensure the producers who are not part of the District Court's injunction are not unfairly burdened by a law many of their competitors are not obligated to follow, forced to pay more than their share of the costs to fund it, and avoid a situation where producers are unable to recover fees paid to support a law of questionable constitutionality.

Yesterday, OBI and 15 other industry trade associations formally asked the DEQ to cease enforcement of this law. If either DEQ or the Legislature were to decide to proactively delay enforcement of the program and require refunds for all fees collected to support it, the state would certainly minimize additional legal challenges to the program and reduce costs borne by taxpayers, businesses and consumers.

In the event the law is ultimately upheld, OBI remains interested in working to make the law work better for businesses and consumers. Consequently, I also want to thank the committee for the opportunity to testify in support of the -1 amendments to HB 4030. OBI supports the bill as it would be amended because, by incorporating a commonsense exclusion most if not every other state has adopted as part of their own extended producer responsibility programs, Oregon would help create a more consistent national approach to implementing these programs and significantly decrease the costs of the program, which will ultimately be borne by consumers.

The -1 amendment would enact a simple exclusion for packaging materials in business-to-business transactions. Business-to-business packaging fundamentally differs from consumer-facing

packaging in both design and end-of-life management. B2B packaging is typically handled within controlled commercial and industrial settings, collected directly from businesses, and recycled through established channels outside of the municipal waste system. As a result, this material has a significantly higher recyclability rate than consumer packaging and does not meaningfully contribute to litter or landfill waste.

Subjecting B2B packaging to the same extended producer responsibility requirements as consumer packaging has imposed substantial compliance costs on businesses throughout Oregon and is not likely to deliver increased environmental benefits. Recognizing those realities, other states – including Washington, Colorado, and California – have included a business-to-business exemption in their statutory or regulatory frameworks.

I urge this committee to support the -1 amendment to HB 4030. Thank you for your consideration.

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