



State of Oregon Department of Environmental Quality

Introductory Frequently Asked Questions on Producer Responsibility Organizations

Accompanying Materials for the Rule Concept Discussion on Item 3 Producer Responsibility Organization Coordination Plastic Pollution and Recycling Modernization Act (SB 582, 2001) Rulemaking Advisory Committee Meeting 1 of 5, Rulemaking 1

What is a Producer Responsibility Organization?: As defined in ORS 459A.863, a Producer Responsibility Organization (PRO) is a nonprofit organization established to administer a producer responsibility program, which is a statewide program for the responsible management of covered products. Covered products (for the purposes of the Act) are non-exempted packaging, printing and writing paper, and food serveware that become waste in Oregon.

What are the PROs' main obligations under the Act? The PROs are central stakeholders for organizing the activities mandated under the Act and ensuring the outcomes described in ORS 459A.860 to 459A.975. Among the PROs' main obligations:

- Reimbursing certain costs to local governments and processors of commingled recyclables, thereby allowing the modernization of Oregon's recycling system including expansion of recycling services.
- Providing for depot and mobile collection of materials included on the depot list and under the sole responsibility of the PROs in a way that meets the convenience and performance standards established by the Environmental Quality Commission.
- Ensuring that products collected for recycling are processed at responsible end markets;
- Providing a "risk commodity fee" in order to address undesirable fluctuations in curbside collection fees charged to ratepayers and in materials collected due to price volatility in markets for recycled materials.¹
- Supporting additional expansion of plastic recycling as necessary to achieve statewide recycling goals for plastic packaging and plastic food serveware (which are listed in ORS 459A.926).

How are the PROs to be established in Oregon different from those in EPR programs elsewhere? It is difficult to generalize given the differences in EPR programs around the world. However, a few possible differences follow:

- As indicated in the above definition, PROs engaged in implementing Oregon's Act must be nonprofit organizations (i.e., US-based 501(c)3 organizations), although they will likely be formed at the initiative of private industry.
- PROs in Oregon will operate independently but be subject to oversight of the Department of Environmental Quality, which must approve a PRO's program plan in order for it to

¹ The PROs' payment of a "commodity risk fee" to commingled processors will cover the difference between actual material processing costs and average material values, thereby enabling the establishment and stable maintenance of a uniform statewide collection list of materials collected for recycling in the commingled system statewide.

administer its program. PROs in Oregon will also reimburse costs directly to processors and local governments rather than paying into a government-managed fund.

- SB 582 allows multiple PROs to operate programs in coordination with one another rather than limiting entry to one PRO.
- Oregon's Act establishes shared responsibility for management of covered products among PROs and existing local waste management entities (i.e., local governments, haulers and commingled recycling processing facilities), rather than giving sole responsibility for all products to the PROs.

How will the PROs engage with producers? Companies meeting the definition of “producer” of a covered product under ORS 459A.866 are required to join a PRO by July 1, 2025; report annually to the PRO the sale of covered products by product type; and pay an annual fee to the PRO as stipulated by its fee schedule.

Do producers of multiple types of covered products sold in Oregon need to join multiple PROs to fulfill obligations under the Act? PROs must set membership fees for producers designed to differentiate between types of covered products and the materials and formats that comprise these covered products. Most likely, a producer can join a single PRO to cover multiple types of covered products. While material-specific PROs may form under Oregon's system, a much more likely outcome is that one or more PROs will offer comprehensive coverage to member producers that are responsible for a diversity of material types. As long as all of its covered products are represented in its PRO's fee schedule, the producer will only need to join one PRO. See ORS 459A.869 for more information about producer membership requirements.

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