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Beverage Trade Groups Challenge Oregon Recycling Fees on Glass Bottles

Wine and spirits producers told a federal court that the state’s packaging rules unfairly penalize glass and burden out-of-state sellers

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Two major beverage trade groups have asked a federal court to review Oregon's packaging recycling program, arguing that the state's fee structure places an unfair burden on wine and spirits sold in glass bottles.

The Distilled Spirits Council of the United States, known as Discus, and the Wine Institute filed a legal brief in the Portland division of the U.S. District Court in connection with a lawsuit between the National Association of Wholesaler-Distributors and Leah Feldon, director of Oregon's Department of Environmental Quality. The trial began Monday.

At the center of the dispute is Oregon's Extended Producer Responsibility program, or EPR, which took effect after being introduced in 2022. The system charges producers based on the weight of their packaging. Because glass is heavier than plastic, bottles used for wine and spirits carry higher fees.

According to the filing by Discus and the Wine Institute, a standard 750-milliliter glass bottle for wine or spirits faces fees that are more than eight times higher than a plastic bottle of the same size. The groups argue that this approach penalizes glass even though it remains one of Oregon's most successfully recycled materials.

"Wine and spirits producers support meaningful recycling and sustainability policies, but those policies must be fair, workable and grounded in how these products are actually made, packaged and sold," Courtney Armour, chief legal officer at Discus, said in a statement reported by The Spirits Business. She added that Oregon's current system places a disproportionate burden on products packaged in glass.

The trade groups also argue that the program violates the Commerce Clause by shifting too much of the cost onto out-of-state wineries and distilleries that sell into Oregon. Their filing says many small local producers are exempt under Oregon's Bottle Bill, while producers outside the state may have to bear the full cost of participating in the program.

That distinction matters well beyond Oregon because many wine and spirits companies sell nationally and do not set prices state by state with ease. If packaging costs rise sharply in one market, producers may decide to spread those increases across broader

distribution rather than isolate them in Oregon alone. That could affect margins, pricing strategy and packaging decisions for beverage companies far from the state. The case could also shape future legal fights over how EPR laws treat heavier materials such as glass and whether those systems place unequal burdens on producers outside a state's borders.

The filing also points to discussions within Oregon's Department of Environmental Quality about how glass is treated under the program. According to Discus and the Wine Institute, the agency acknowledged concerns and explored options this year to reduce costs for glass producers while preserving Oregon's collection and recycling system.

Oregon was the first state to fully implement a packaging EPR program. Similar laws have also been enacted in California, Colorado, Maine, Maryland, Minnesota and Washington, making the Oregon case one to watch for beverage makers as more states move toward producer-funded recycling systems.

The legal challenge comes as EPR rules face broader scrutiny in other markets. A coalition of 17 state attorneys general has separately filed a federal lawsuit challenging California's EPR law. In Britain, an EPR system introduced in April 2025 has also drawn criticism from trade groups and large spirits producers over cost and implementation concerns.

For wine and spirits companies, glass is not simply one packaging option among many. It remains central to how most premium products are bottled, shipped and marketed. A fee model tied closely to weight can therefore hit categories such as whiskey, vodka and wine harder than beverages more commonly sold in lighter containers. That has made Oregon's program a test case for whether environmental policy can be designed in a way that encourages recycling without creating uneven costs across beverage categories.

The court review sought by Discus and the Wine Institute adds another layer to an expanding national debate over who should pay for packaging waste and how those costs should be allocated among materials. As more states adopt EPR laws, beverage producers are likely to keep pressing regulators and courts over whether glass should

be treated as a recycling success story or as a costly material that deserves higher fees.