November 13, 2026

Re: Comments on Circular Action Alliance's Draft SB 54 Program Plan

Dear Director Heller and CalRecycle Staff

We appreciate the opportunity to comment on Circular Action Alliance's (CAA) proposed Program Plan for implementing California's Plastic Pollution Prevention and Packaging Producer Responsibility Act (SB 54).

The Alliance for Mission-Based Recycling (AMBR) represents mission-based recycling organizations with decades of experience collecting, sorting, processing, and marketing recyclable materials. Our members understand firsthand how packaging design, collection systems, processing costs, and end markets determine whether materials are actually recycled. We support strong implementation of SB 54 that reduces unnecessary packaging, expands reuse and refill, strengthens recycling infrastructure, and holds producers accountable for the materials they place on the market.

Our comments focus on the practical implications of the proposed Plan for recycling operations, the accuracy and accountability of recycling claims, and the financial incentives necessary to drive meaningful changes in packaging design. We are particularly concerned that the Plan could encourage the expansion of difficult-to-recycle packaging while shifting costs and operational burdens onto recycling service providers.

We recommend that CalRecycle require substantial amendments to the Plan before approval to ensure it meets SB 54's statutory requirements and delivers measurable improvements in waste prevention and recycling.

1. Prioritize Alternative Collection for Film and Flexible Packaging

Concern: CAA's film and flexible packaging strategy relies too heavily on commingled residential curbside collection. Mixing film and flexibles with paper and

cardboard can lower bale quality, increase separation costs, and undermine existing recycling markets. At the same time, contamination from paper, food, and other materials can make recovered film harder to recycle. The Plan should prioritize alternative collection approaches that protect successful recycling programs and ensure materials are actually recycled. Collection should only expand where there is demonstrated processing capacity and viable, responsible end markets.

Key recommendations:

- Prioritize source-separated collection for film and flexible packaging, including dedicated commercial collection and convenient, accessible drop-off, buy back, and mail back programs where viable and supported by demonstrated recycling outcomes.
- Require CAA to demonstrate through pilots that any proposed commingled collection can maintain paper bale specifications and produce film accepted by verified end markets at scale before incentivising expansion.
- Publish pilot results by packaging format and collection method, including participation, contamination, usable recycling yield, detailed costs, commodity revenues, responsible end markets, and quantities actually recycled.
- Substantiate Table 7's reported 19% jurisdiction acceptance figure by distinguishing jurisdictions that actively collect film and flexibles from those that simply do not prohibit them.
- Report actual household and population access, accepted packaging formats, collection methods, and quantities collected rather than relying primarily on the percentage of jurisdictions that do not expressly prohibit film in recycling carts.

2. Substantiate the Cost Basis for Film and Flexible Packaging

Concern: CAA proposes a base fee of approximately $0.25 to $0.30 per pound for film and flexible packaging. These rates appear extremely low given the collection, sorting, and processing challenges associated with these materials. AMBR's flexible film report identified costs closer to $1.25 per pound, more than four times the proposed fees. CAA has not adequately demonstrated what its plan is, how the CTM

and index were calculated, how its proposed rates account for these costs, or the impacts on existing recycling streams.

Key recommendations:

- Publish the cost-to-manage inputs and detailed fee calculations for film and flexible packaging, distinguishing measured costs from projections prior to acceptance.
- Report the expected cost per pound collected, sorted, and actually recycled, alongside the proposed fee per pound for each collection and sorting modality.
- Include transportation, processing losses, reject disposal, equipment and labor costs, and commodity revenues in cost calculations.
- Account for documented impacts on other recycling streams, including additional sorting, equipment downtime, and paper bale downgrades or rejections.
- Reconcile CAA's assumptions with published studies and pilot results using comparable cost measures.
- Ensure fees reflect the actual cost of managing difficult-to-recycle materials rather than shifting those costs onto recycling service providers or other material streams.

3. Align Producer Fees, Eco-Modulation, and PPMF Fees with Recycling Outcomes

Concern: CAA's proposed fee structure could create financial incentives for producers to switch to lighter, harder-to-recycle packaging. Because fees are based largely on weight, a practically unrecyclable lightweight multilayer pouch may be substantially cheaper per unit than a recyclable rigid package delivering the same amount of product. For example,, a multilayer shampoo refill pouch would incur an estimated 1.25¢ fee per package, roughly half the 2.62¢ for a natural HDPE bottle with a cap holding nearly the same amount of shampoo.

CAA's proposed 5% bonus and 5% surcharge are also small relative to the savings producers may achieve by switching to lighter, less recyclable packaging. The Plan

has not demonstrated that these adjustments are sufficient to influence packaging decisions, encourage redesign, or support investment in reuse and refill systems.

The PPMF equation gives disproportionate importance to weight over components resulting in further incentivization of using lightweight plastic packaging when it is the hardest to manage, is the most littered, and a leading cause of fatal debris ingestion in marine wildlife. While heavier formats may have greater per unit impact during manufacturing, there needs to be greater balance between upstream and downstream responsibility for mitigation of impacts.

Key recommendations:

- Require CAA to incorporate cost per component into the CTM as done for PPMF calculations, not only cost per pound.
- Require CAA to publish per unit costs as well as per pound costsRequire CAA to compare total fees for representative packages delivering equivalent quantities of the same product.
- Publish package weights, component counts, fee assumptions, and calculations so stakeholders can independently reproduce comparisons.
- Evaluate whether proposed fees create negative financial incentives that may shift from recyclable packaging to difficult-to-recycle alternatives.
- Publish the rationale for the proposed 5% eco-modulation adjustments and demonstrate their effect in cents per unit for representative packaging choices.
- Establish stronger or graduated eco-modulation adjustments where necessary to drive meaningful packaging redesign, source reduction, reuse, and refill.
- Regularly evaluate and adjust fees and eco-modulation rates based on observed changes in packaging choices, recycling outcomes, and progress toward statutory targets.
- Require CAA to use a 50/50 split between weight and components
- Publish the PPMF on per unit bases as well as by cost per pound

4. Responsible End Markets and Recycling Yields

Concern: CAA proposes a minimum 60% recycling yield for responsible end markets, but its methodology excludes certain preparation losses and contamination and permits aggregated yields and transfers between facilities. These provisions could overstate actual recycling outcomes and allow materials to be counted as recycled without sufficient evidence that they become usable recycled feedstock. The full responsible end-market standard has also not been finalized.

Key recommendations:

- Maintain a minimum recycling yield of at least 60%, with higher thresholds where appropriate for particular materials and processes.
- Require full physical material accounting, including incoming contamination, preparation losses, processing residuals, downstream losses, and final recycled outputs.
- Require independently verified, facility-specific recycling yields rather than relying on aggregated or systemwide averages that may conceal poor performance.
- Establish clear accounting rules for transfers between facilities to prevent double counting and ensure materials are tracked through final processing.
- Require documentation that recovered materials become usable recycled feedstock for manufacturing rather than fuel, energy, or disposal.
- Establish enforceable responsible end-market requirements before Plan approval rather than deferring critical standards to future implementation.

5. Pyrolysis, Chemical Recycling, and Mass Balance Accounting

Concern: CAA's Plan allows pyrolysis to potentially qualify as recycling and relies on fuel-use-excluded mass balance accounting. Although the Plan includes questionnaires and other safeguards for non-mechanical recycling projects, these measures are insufficient to demonstrate that discarded plastics are actually converted into new recycled materials.

Pyrolysis and gasification present particular concerns because they can produce fuels, fuel intermediates, and other outputs that do not constitute recycling. These

processes should not be used to satisfy SB 54's recycling requirements when they primarily produce fuels or energy. Mass balance approaches that permit non-proportional allocation can further overstate actual recycling outcomes by assigning recycled content claims that are not supported by corresponding physical material flows. Recycling has suffered significant consumer discrediting as a result of greenwashing and false claims. We must avoid further damage that might occur through false or misleading reporting mechanisms and representations.

Key recommendations:

- Explicitly exclude pyrolysis and gasification processes that produce fuels, fuel intermediates, energy, or other non-recycled outputs from qualifying as recycling. Fuel production and energy recovery must not count toward recycling targets.
- Require technology-specific verification of actual recycling outcomes for any non-mechanical process, including depolymerization.
- Prohibit free allocation, non-proportional attribution, book-and-claim accounting, and other methods that assign recycled content without corresponding physical material flows.
- Require physical traceability and independently verified input-output accounting that identifies all products, byproducts, residuals, and processing losses.
- Apply minimum recycling yield requirements consistently, based on material ultimately converted into usable recycled feedstock.
- Ensure third-party certifications and voluntary standards do not substitute for independent verification against California's statutory requirements.

6. Recycling Rate Calculations and Producer Data

Concern: CAA proposes to calculate recycling rates using estimated commodity flows, average material composition, and conversion factors rather than verified recycling outcomes. While material characterization and sampling can support accurate calculations, the proposed methodology must be transparent, independently validated, and sufficiently detailed to identify recycling outcomes for individual Covered Material Categories (CMCs).

Incomplete producer reporting and discrepancies in California's plastic packaging baseline raise additional concerns about accuracy. Producers' failure to provide complete data should not become a justification for weakening measurement or accountability requirements.

Key recommendations:

- Use Calrecycle's enforcement options to ensure detailed, timely, and accurate reporting.
- Don't validate and encourage non-compliance by citing partial data and using that as a baseline even temporarily.
- Require independently verified data on actual recycling outcomes, including processing losses, supported by representative material characterization and sampling.
- Publish and validate all conversion factors, material composition assumptions, and calculation methodologies.
- Reconcile producer-reported data with independent material-flow, export and sales data, and waste characterization data.
- Require CAA to demonstrate that its proposed alternative methodology meets applicable statutory and regulatory requirements for accuracy and accountability.
- Ensure incomplete producer data does not justify weaker reporting, reduced transparency, or less stringent compliance requirements.

7. Grouping Covered Material Categories (CMCs)

Concern: Grouping materials may reflect actual recycling practices, particularly where materials are collected, sorted, and marketed together. However, combining CMCs with substantially different recycling outcomes could conceal poor performance for individual packaging formats and weaken producer accountability. Grouping for recycling-rate calculations also raises different considerations than grouping materials to determine responsible end-market recycling yields.

Key recommendations:

- Require CAA to publish a complete crosswalk identifying which individual CMCs are included in each proposed group.
- Require technical justification demonstrating that proposed groupings reflect actual collection, sorting, processing, and end-market practices.
- Prioritize scrutiny of broad or heterogeneous groups, including Small Format, Other Rigid Plastic, and other categories where recycling outcomes may vary significantly.
- Require additional sampling, material characterization, or disaggregated reporting where individual CMCs have substantially different recycling outcomes.
- Distinguish between grouping for recycling-rate calculations and grouping for responsible end-market yield verification.
- Ensure grouping does not allow poorly performing packaging formats to benefit from the recycling performance of more readily recyclable materials.

8. Simplify Payments and Cover Reasonable Administrative Costs

Concern: CAA's two-part application, project-specific cost review, contracting, and reimbursement process could make routine claims costly and burdensome for recycling service providers. The separate 5% administrative cap does not adequately reflect the staff time required for the onerous applications, recordkeeping, reporting, and project management, particularly for smaller projects.

Requiring applicants to absorb these costs effectively shifts program expenses onto service providers and ratepayers. Reimbursement after costs have been incurred also creates financing barriers that may prevent smaller nonprofit and mission-based operators from participating.

Key recommendations:

- Establish standing agreements and streamlined claim forms for routine costs, accepting ordinary business records such as invoices and scale tickets.
- Reimburse reasonable direct administrative work as an eligible project cost and provide a separate allowance for shared overhead.

- Cover reasonable application preparation and data collection costs required by CAA, including when an application does not result in a funded agreement.
- Replace the rigid 5% administrative cap with an approach that reflects actual and reasonable costs, particularly for smaller projects.
- Establish clear review and payment deadlines and make advances, early milestone payments, or direct vendor payments available under published criteria.
- Ensure reimbursement procedures do not disadvantage nonprofit, community-based, or smaller recycling service providers.

9. Give Education and Outreach Applicants Equal Access and Reward Collaboration

Concern: CAA's preference for a local jurisdiction or tribe as the lead applicant, combined with the requirement that nonprofits applying directly verify support from every impacted jurisdiction and tribe, creates a procedural disadvantage for nongovernmental applicants.

Haulers, nonprofits, cities, and tribes bring different expertise, relationships, and capacities to education and outreach. Collaborative proposals may be better suited to reaching residents and improving recycling outcomes than proposals led by any single type of organization.

Key recommendations:

- Allow eligible haulers, nonprofits, cities, and tribes to lead standalone or collaborative proposals under consistent eligibility and evaluation criteria.
- Select lead applicants based on relevant experience, community relationships, audience reach, and ability to deliver the proposed work.
- Give preference to collaborative proposals that demonstrate complementary roles, broader community reach, and reduced duplication of existing outreach.
- Replace blanket endorsement requirements with documented coordination with relevant jurisdictions and appropriate consultation with affected tribes.

- Ensure application requirements are proportionate to project scope and do not create unnecessary barriers for smaller organizations.

10. Source Reduction and Producer Accountability

Concern: Broad exemptions, delayed compliance, and questionable source reduction accounting could undermine SB 54's statutory targets. Inaccurate producer-reported baseline data compounds these concerns. The Plan must prioritize actual reductions in packaging and the expansion of reuse and refill systems rather than allowing accounting changes or shifts between packaging formats to substitute for meaningful waste prevention.

Key recommendations:

- Require enforceable source reduction milestones supported by independently verified baseline data.
- Reject broad or open-ended exemptions that undermine statutory reduction targets.
- Ensure changes in packaging materials or formats are evaluated for their actual environmental and recycling impacts, rather than automatically credited as source reduction.
- Prioritize packaging elimination, reuse, and refill over accounting-based reductions.
- Require transparent reporting that distinguishes packaging eliminated, packaging redesigned, and packaging replaced with reusable or refillable alternatives.

11. Environmental Justice and Worker Protections

Concern: The Plan does not adequately translate environmental justice commitments into enforceable protections for communities and workers affected by recycling facilities and other waste management infrastructure. Investments in recycling infrastructure and responsible end markets must not create or worsen pollution burdens, particularly in communities already disproportionately affected by industrial facilities and waste management operations.

Key recommendations:

- Require meaningful community participation in decisions about facility funding, infrastructure investments, and responsible end-market qualification.
- Establish enforceable environmental and worker protection requirements for facilities participating in the program.
- Require transparent public reporting of facility emissions, hazardous waste generation, environmental compliance, and relevant enforcement actions.
- Ensure worker protections apply to temporary, contract, and other workers who may face elevated risks in recycling and processing facilities.
- Exclude facilities and technologies that create unacceptable pollution burdens or fail to meet applicable environmental and worker protection requirements.

Overall Recommendations

We recommend that CalRecycle require CAA to revise and resubmit its Program Plan before approval. The revised Plan must establish enforceable requirements that:

- Protect existing recycling systems and markets while supporting collection and processing approaches that produce materials suitable for responsible end markets.
- Ensure producer fees reflect actual recycling costs and create meaningful incentives for packaging reduction, redesign, reuse, and refill.
- Establish accurate, independently verified recycling data, minimum recycling yields, and physical material accountability.
- Prevent fuel production, energy recovery, and unverified chemical recycling claims from being counted as recycling.
- Provide equitable and accessible funding and reimbursement for recycling service providers, including nonprofit and mission-based organizations.
- Deliver meaningful source reduction and expansion of reuse and refill systems.
- Protect communities and workers from pollution and other harms associated with waste management and recycling operations.

California's SB 54 represents an important opportunity to demonstrate that extended producer responsibility can reduce packaging waste, strengthen recycling infrastructure, and hold producers accountable for the full impacts of their packaging. Achieving these goals requires a Program Plan grounded in actual recycling practices, verified outcomes, and the experience of the organizations responsible for collecting and processing materials.

We appreciate CalRecycle's consideration of these comments and urge the agency to require the necessary revisions before approving the Plan.

Sincerely,

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