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April 1, 2025

Assemblymember Isaac Bryan
Chair, Assembly Committee on Natural Resources
1021 O Street, Room 164
Sacramento, CA 95814

Re: AB 973 (Hoover) - **OPPOSE**

Dear Chair Bryan and Committee Members,

On behalf of a broad coalition of producers committed to achieving California's recycling goals, we are writing in respectful opposition to AB 973. California has long been a national leader in recycling and environmental sustainability. However, as we work toward achieving these goals, there are challenges for producers navigating the complexities of recyclability policies, and AB 973 would add to those burdens.

Address Packaging Within the SB 54 Framework, Not Conflicting Requirements

We oppose AB 973, as the legislation runs counter to SB 54, the state's groundbreaking packaging recycling, composting, and waste reduction law currently being implemented by the California Department of Resources, Recycling and Recovery (CalRecycle). As you are well aware, these programs are still in the rulemaking process but despite delays, producers must still meet statutory deadlines- to include explicit, ambitious program targets for source reduction and recycling rates. AB 973 creates superfluous requirements that create direct conflicts to compliance with the state extended producer responsibility program. We must oppose standalone packaging sustainability legislation that constructs unnecessary challenges to achieving the ambitious goals set within the comprehensive state EPR program, and ask instead that stakeholders prioritize the program's success in reducing plastic pollution and increasing the sustainability of materials within the state.

The SB 54 EPR program mandates that packaging is recyclable or compostable by 2032, is source reduced by 25%, and recycled at unprecedented rates. However, the program explicitly excludes the use of postconsumer recycled content from the definition of source reduction and establishes an eight percent limit on reduction that can be achieved through the use of postconsumer recycled content. AB 973 piles postconsumer recycled content targets on top of the existing SB 54 program goals, creating a conflicting compliance burden.

The SB 54 program requires source reduction of plastic packaging by weight. Packaging made with postconsumer recycled content requires an increased use of material to reach a comparable quality to plastic packaging made of virgin material. The quality of packaging is fundamental to protecting product integrity and composition from contamination, breakage, and other factors impacting consumer use. Packaging using postconsumer recycled content requires more material and therefore, often weighs significantly more than plastic packaging

made from all virgin materials. This creates an onerous, or even impossible compliance scenario for producers where meeting requirements within AB 973 increase the weight of packaging, and therefore, puts them in noncompliance with the SB 54 mandate.

The state EPR program creates substantive, ambitious goals to increase the circularity of packaging materials within California. Establishing conflicting postconsumer recycled content mandates is superfluous and will ultimately undermine progress spurred by the SB 54 program.

Creates Redundant Reporting and Fees

AB 973 requires reporting to CalRecycle and payment of fees including reporting on both covered and exempt products. This is an unnecessary and undue burden on manufacturers who are already coming into compliance with rigorous reporting requirements and heavy fees under SB 54, including a \$5 billion dollar Plastic Pollution Mitigation Fund born by producers- in addition to the actual EPR program cost. Governor Newsom recently directed CalRecycle to restart the SB 54 rulemaking process over concerns about costs to consumers; this bill will exacerbate cost impacts on California consumers who are already dealing with very real inflationary pressures. This bill disregards the Governor's concern for the cost of consumer goods within the state and further increases the heavy cost burden on producers within the state.

Demonstrates the Need for Increased Use of Molecular Recycling Technologies

AB 973 inherently requires an increase in demand for postconsumer recycled content by imposing targets for its use in packaging. The bill fails to acknowledge that the demand for high quality postconsumer recycled content has already outpaced the supply.

Currently, mechanical recycling can recover some types of plastic materials, such as clear and white PET, but is unable to recover a broader range of plastic packaging at a high enough quality to meet rigorous industry and federal standards.

Mechanically recycled plastics often undergo a process called "downcycling." Downcycling occurs when the recovered product is of a lower quality than the original input plastic. Downcycling is largely due to the persistence of essential chemical additives included in packaging. Given the limited range of plastic materials that mechanical recycling can recover at a high enough quality to meet strict food and drug contact packaging standards, the supply of recycled plastic content that can be used for like-new packaging is well below current and future anticipated demand.

In contrast to mechanical recycling, molecular (also known as advanced, or chemical) recycling can expand the scope of plastic materials recovered, by providing recycling solutions for difficult to recycle materials such as films, flexibles, and colored plastics, and recover a larger supply of high quality recycled content to meet a growing industry demand. Molecular recycling can take a wider range of post-consumer plastic materials, divert them from landfills and purify or transform them at the molecular level, ultimately producing high quality, like-new, recycled content.

While the SB 54 program will increase the recovery of materials and reduce pollution within the state, it is not yet able to address recover sufficient types or quantities of plastic materials at a high enough quality for product packaging. For example, films and flexible packaging are not currently included as materials accepted for mechanical recycling within the SB 54 program. In order for the incorporation of postconsumer recycled content to increase within packaging materials, the supply of high-quality recycled content must significantly increase. This is not attainable without the use of molecular recycling technologies. Ultimately, AB 973 mandates a

further imbalance between the demand for postconsumer recycled content with the supply available, without equipping industry with the tools necessary to remedy this challenge.

The enactment of SB 54 (Stats. 2022), along with SB 343 (Stats. 2021) has resulted in arguably the most comprehensive and rigorous single-use packaging and plastics recycling and waste reduction requirements enacted domestically and internationally. AB 973 will interfere with the successful implementation of these programs, and we must request that you vote no on this measure.

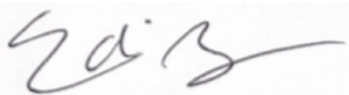
Sincerely,

A handwritten signature in purple ink that reads "Erin Raden". The signature is written in a cursive, flowing style.

Erin Raden
Senior Director, State Affairs
Consumer Brands Association

A handwritten signature in black ink that reads "John J. Richard". The signature is written in a cursive, flowing style.

John J. Richard
Director, Government Relations
Flexible Packaging Association

A handwritten signature in black ink that reads "Edwin Borbon". The signature is written in a cursive, flowing style.

Edwin Borbon
Government Affairs Associate
On behalf of AMERIPEN