June 27, 2022

The Honorable Luz Rivas
1021 O Street
Sacramento, CA 95814-4900

Assemblymember Rivas:

RE: SB 54 (Allen) – Neutral

The above listed organizations have a neutral position on SB 54 (Allen), as amended June 26, 2022, under the presumption the "State Regulations to Reduce Plastic Waste, Tax Producers of Single-use Plastics, and Fund Recycling and Environmental Programs Initiative Statute" is removed from the November 2022 ballot. Fundamentally, legislation is a more agile approach through which to enact a technical policy that will require robust public engagement and allow for corrective actions during implementation. We have been committed to the stakeholder process Senator Allen's office convened to find a legislative solution to single-use packaging and food service ware. If enacted, the law would establish the most aggressive single-use packaging law in the country.

Implementing SB 54 will be *extremely* challenging and costly for industry. However, the following elements in SB 54 will allow industry to work toward the source reduction and recycling mandates most effectively:

- **Producer Responsibility Organization:** SB 54 would create a Producer Responsibility Organization (PRO) and allow producers to aggregate their compliance obligations to achieve the mandates of the bill. This will be more efficient for each producer and for CalRecycle as the regulatory and enforcement agency. In contrast, the ballot measure would require each producer to achieve the mandates individually, creating an intense and extensive compliance burden for each company and CalRecycle.
- **Source Reduction:** SB 54 and the ballot both have a source reduction mandate of 25% by weight and units of plastic packaging and foodservice ware. In SB 54 however, producers can count the weight of each unit source reduced, toward the weight reduction mandate. Additionally, post-consumer recycled content (up to 8%) can be counted toward source reduction. Through the initiative these decisions would be made by CalRecycle.
- **Mitigation Funding:** SB 54 guarantees the state $500 million annually for environmental mitigation. This is on top of the significant financial investments industry will need to make to reach the recycling and composting mandates in the bill. The provision represents the exceptional commitment by

industry to further invest in the environment. We appreciate the additional oversight and accountability outlined in the legislation to ensure the funds are used for their intended purpose as well as an opportunity for a public process to review programmatic outcomes in 2034.

- **Recycling Technology:** For hard-to -recycle plastics, it is imperative that innovative technologies count toward mandated recycling rates. Under the bill, these technologies cannot include waste to energy or be used as fuel, and they must meet all relevant environmental standards. Non-mechanical recycling methods are crucial tools to help recycle materials not easily recycled through mechanical means. These technologies are imperative to achieve recycling and source reduction goals. SB 54 will allow for CalRecycle to determine if additional technologies will benefit California.
- **Federal Regulations/Food Safety/Food Waste:** SB 54 recognizes Federal Food Safety Regulations, laws and guidelines which govern how agricultural products are handled, and the benefits packaging has at reducing greenhouse gas emissions from food waste.

Once again, the undersigned submit a position of neutrality under the condition that the ballot initiative is pulled. At the time of writing, the proponents have not indicated a willingness to remove the initiative. As represented in negotiations it is critical SB 54 not move to the governor until a commitment has been made.

We support the desire for a sustainable future, and we are committed to working with the legislature, administration, and stakeholders to find a legislative solution that increases recycling and composting of materials. We believe a legislative solution like SB 54 better achieves this over the long term.

Sincerely,

Tricia Geringer, Agricultural Council of California
Taylor Roschen, California Farm Bureau Federation
Kelly Ash, California Grocers Association
Robert Spiegel, California Manufacturers & Technology Association
Steve McCarthy, California Retailers Association
Casey Creamer, California Citrus Mutual
Walter A. Reiter, EPS Industry Alliance
Alison Keane, Flexible Packaging Association
Natha Dempsey, Foodservice Packaging Institute
Christopher Finarelli, Household & Commercial Products Association
Savonne Caughey, Pet Food Institute
Erin Raden, The Toy Association
John Picciuto, Western Plastics Association