



Zoe Heller
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June 3, 2025

**Re: Draft Proposed SB 54 Regulations: Plastic Pollution Prevention and Packaging
Producer Responsibility Act (June 3, 2025)**

Dear Ms. Heller,

On behalf of the California Chamber of Commerce and these listed organizations, we extend our appreciation to CalRecycle and the Administration for their significant efforts in revising the SB 54 (Allen-2022) draft regulations. The previous draft, dated December 2, 2024, posed significant financial and implementation challenges, with projected direct costs of at least \$36.3 billion to California families and businesses resulting in higher prices for all basic goods, from fresh produce and just about anything in a grocery store, to electronics, clothing and so much more.

The recent revisions reflect a thoughtful approach to policymaking, aiming to balance the environmental goals outlined in SB 54 with the economic reality that California must ensure affordability, and that highly complex global supply chains require a flexible approach to achieving the mandates across the entire economy. The updated regulations align more closely with the statutory language of SB 54 (Allen, 2022), preserving the law's ambitious mandates for achieving a circular economy. Importantly, these draft regulations preserve all of the mandates of SB 54. These changes lower costs simply by embodying the principles of an extended producer responsibility (EPR) program that provides the flexibility necessary for producers across sectors and supply chains to figure out how to most cost effectively establish and invest in California's circular economy. This approach encourages innovation and allows producers to develop tailored solutions that meet environmental objectives without imposing undue burdens that result in substantial and unnecessary costs borne by every Californian in the form of more costly goods, and worse, unintentionally set the producer responsibility organization up to likely fail to meet the mandates prescribed in law.

Most importantly, the new version of the proposed regulations greatly improves the chances that a robust and successful program that all stakeholders desire and are committed to achieving actually becomes reality.

California businesses remain steadfast in their commitment to building a true circular economy. Achieving this vision will require substantial investments in resources, research and development, and systemic changes across various sectors. From agriculture and food packaging to other essential products like diapers, electronics, clothing and so much more, California businesses are dedicated to ensuring that packaging solutions are safe, reliable, and affordable for all Californians.

The most recent draft SB 54 regulations from May 2025 mark a significant step forward in California's environmental leadership. By fostering a regulatory environment that balances ecological responsibility with economic viability, the state sets a precedent for sustainable innovation of a circular economy.

Specific comments regarding revisions to various sections of the draft regulations are discussed in detail below.

Recycling Technology Criteria

The previous (December 2, 2024) draft regulations attempted to establish criteria applied to recycling technologies for consideration of various environmental impacts. This provision was not only unworkable, but was not comprehensive in addressing all of the requirements of SB 54 relating to criteria and further created confusion and lack of clarity in what criteria would be applied and how it would be determined by the producer responsibility organization for integration of Responsible End Markets (REM).

The new draft regulations provide a comprehensive set of well-defined criteria to be applied to any recycling technologies applicable to plastic as the statute requires, including not only hazardous waste but also all of the other environmental issues addressed in SB 54. It requires compliance with a very thorough standard of best practices in achieving a circular economy which addresses the very goal of SB 54.

An important benefit to these improvements is we estimate savings of several billions of dollars in both administrative savings and real cost savings across the entire product supply chains while achieving the ambitious recycling rate mandates of SB 54 that ultimately will require just about 7 in 10 packages being recycled.

Clear and Improved Implementation

The new draft regulations address many of the complex considerations involved in implementing this major policy initiative. Literally all stakeholders and policy makers have recognized that implementing the provisions of SB 54 and the regulations is a significant and costly undertaking. To be successful, the PRO must have a level of flexibility in designing a plan that addresses recycling, source reduction, composting, infrastructure

investments, research and development and so much more, all of which is applicable to all the different types of packaging used for a myriad of products that are essential to the daily lives of all Californians.

The new draft regulations recognize that complexity and improves on the prior draft in a number of ways:

1. Changes the “monthly” reporting requirements of producers and the PRO to an annual reporting framework. Making this change will result in the same information and data being reported, but in a manner that saves significant costs and allows more focus on successfully implementing the program.
2. Removes some very prescriptive requirements for the PRO plan and instead relies on the provisions of SB 54 to provide greater flexibility in developing the plan.
3. Revises provisions applying to “refill and reuse” of packaging allowing for the PRO to design a system which will meet the specific requirements of SB 54.
4. Changes the application of penalties/fines for non-compliance in a way that will foster collaborative efforts amongst recycling service providers and local governments and producers to achieve the goals of SB 54.

Compliance with SB 54 Provisions

The new draft more closely aligns with the actual statutory language of SB 54.

1. The new draft recognizes the statutory language in SB 54 requiring that the implementation of the program that does not create conflicts with food safety and other requirements under Federal law and guidelines. This draft more closely aligns with the statutory provisions and will ensure that California’s food supply chain is adequately protected, minimizes organic waste and remains affordable.

Enhancing recycling and achieving circularity cannot and should not expose Californians to increased risks jeopardizing food safety or adding to food waste and higher prices.

2. The new draft regulations also reflect statutory language applying to drug and medicine packaging. It recognizes that both prescription medications and over the counter medications are all subject to sterility and child proofing safety

requirements under Federal law and that those important properties will not be lessened or eliminated due to recycling.

3. The new draft regulations more clearly align with the provisions in SB 54 relating to the PRO Plan submission and approval, simplifying those processes and helping to assure a robust plan while also meeting the statutory time deadlines for implementation. The success of achieving a circular economy in California is directly dependent on a successful PRO plan.
4. Finally, the new draft regulations, consistent with the prior version, continue to make clear that any necessary infrastructure or other investments necessary to comply with an approved PRO plan under SB 54 be paid by the PRO for *future* improvements -- not subsidize or retroactively paying for any existing systems.

? Additional Revisions Needed ?

(Send for Feedback)

Sincerely,

On behalf of the following organizations: