September 10, 2026

Governor Gavin Newsom
1021 O Street, Suite 9000
Sacramento, CA 95814

RE: Veto Request for SB 1180 (Allen) - California Plastic Pollution Mitigation Fund

Dear Governor Gavin Newsom,

On behalf of the California Retailers Association, the leading voice of California's retail industry, I am writing to request your veto on SB 1180 (Allen).

As California moves into a critical phase of implementing the Plastic Pollution Prevention and Packaging Producer Responsibility Act (SB 54), it is important that the Plastic Pollution Mitigation Fund (PPMF) remain aligned with the purpose for which it was established. We urge you not to add complexity to SB 54 and the administration of the Plastic Pollution Mitigation Fund (PPMF), a significant funding source designed to mitigate environmental and public health impacts associated with plastic pollution. That framework is anchored in mitigating impacts, not reshaping markets or production behavior which are already addressed through SB 54's producer responsibility requirements.

The California Retailers Association represents retailers of all sizes and sectors across the state and advocates for public policies that support California consumers, employees, environment, communities and a strong, competitive retail marketplace. CRA is the only statewide trade association representing all segments of the retail industry including general merchandise, department stores, mass merchandisers, on-line marketplaces, restaurants, convenience stores, supermarkets and grocery stores, chain drug and specialty retail such as auto, vision, jewelry, hardware and home stores. The California Retailers Association works on behalf of California's retail industry, a driving force of California's economy, with over 400,000 retail establishments, an annual gross domestic product of $330 billion and one fourth of California's total employment.

The retail industry is committed to the goals of SB 54, has made investments in sustainable. I currently serve as an appointee to CalRecycle's SB 54 Advisory

Board and serve as an ex-officio member of the Circular Action Alliance (SB 54 Producer Responsibility Organization or PRO) California board furthering the retail industry's commitment to moving towards a circular economy. Retailers are deeply invested in ensuring this groundbreaking extended producer responsibility (EPR) program for creating a more circular economy for plastics and packaging is successful both for producers, local governments and, most importantly, consumers.

With those goals in mind, CRA is concerned that SB 1180 will stretch the scope of the PPMF beyond the framework established in SB 54. The producer community, which includes California's retail industry, is responsible for funding the $500 million PPMF annually. As such, CRA has a vested interest in ensuring the funds go toward projects with true benefits to Californians, not administrative overhead.

SB 54 requires significant upstream changes through producer obligations, including source reduction requirements, recyclability standards, and other design and system changes intended to reduce plastic waste. Those provisions are designed to address production and use of packaging materials directly. The mitigation fund, by contrast, was broadly structured to address environmental and public health impacts associated with plastic pollution, recognizing the need to continue driving down impacts while advancing more sustainable material choices and systems.

SB 1180 moves away from that structure in several keyways. First, the bill requires expenditures to help create or accelerate a "durable and significant reduction in plastic production, use, and disposal…" This language moves beyond mitigating impacts and toward influencing manufacturing and consumption decisions that SB 54 already addresses through its producer responsibility requirements.

SB 1180 would allow mitigation dollars to be used for pollution sources outside SB 54's product management framework, including tires, textiles, and other noncovered streams. Producers who are in scope of SB 54 for their product packaging and food service ware should not be financially responsible for mitigating the impacts of other products outside of SB 54's scope. Regarding textiles, California has a separate Extended Producer Responsibility Program created under SB 707 (Newman-2024) dedicated to managing and creating a circular economy around those universe of products, of which CRA is also leaning into with my serving on that program's PRO board and having applied to serve as the PRO last year.

During this year's legislative session amendments were submitted to the author's office for SB 1180. These changes were requested by both CRA and a broad coalition to maintain a clear nexus between mitigation funding and SB 54-covered materials, clarify that funds remain focused on measurable

environmental and public health outcomes directly tied to plastic pollution impacts, ensure grantees demonstrate a nexus to SB 54, and remove provisions that veer away from the original mitigation framework. Unfortunately, no compromise was reached.

There is more at stake than the scope of a grant program. SB 1180 would establish a precedent for using producer-funded mitigation dollars to address broader production, consumption, and waste-management objectives that are not part of SB 54. With producers already subject to substantial obligations and costs under SB 54, the PPMF should remain focused on mitigating the environmental and public health impacts it was created to address or we risk further driving up costs for consumers who are already over-burdened by rising costs in basic necessities such as groceries and energy.

For these reasons the California Retailers Association is strongly opposed to SB 1180 and requests your veto on this consequential piece of legislation. Should you have any questions or comments regarding this position, please contact Sarah Pollo Moo, Vice President of Sustainability Compliance, at sarah@calretailers.com.

Thank you for your consideration.

Sincerely,



Rachel Michelin
President/CEO
California Retailers Association