



**Circular
Action
Alliance®**

CALIFORNIA EXTENDED PRODUCER RESPONSIBILITY (EPR) PROGRAM PLAN

California Program Plan submitted to the Producer
Responsibility Advisory Board on June 15, 2026



Introduction

Senate Bill 54 Scope and Targets

Circular Action Alliance (CAA) California is pleased to submit the first-ever California program plan to California's Producer Responsibility Advisory Board (PRAB) in compliance with Senate Bill 54, the Plastic Pollution Prevention and Packaging Producer Responsibility Act (SB 54).

Passed by the state Legislature and signed by the governor in 2022, SB 54 creates an Extended Producer Responsibility (EPR) program for packaging and single-use plastic food serviceware, with compliance targets beginning in 2027. The law sets ambitious targets for recycling rates, recyclability and compostability, and source reduction in plastic covered material (i.e., using less plastic over time compared to a baseline).

California was the fourth U.S. state to enact an EPR law, and three more have adopted legislation since SB 54. Still, many components of SB 54 are unique among U.S. EPR laws, and EPR laws around the world.

SB 54 sets the highest plastic recycling rate targets of any U.S. EPR bill. No other legislation contains similar source reduction measures. And once implemented, California will have the largest packaging EPR program in the world given the size of the state's population.

Who Is Circular Action Alliance

Under SB 54, producers may join a Producer Responsibility Organization (PRO) as part of their compliance with the law. CAA is a PRO established to support the implementation of EPR laws in multiple states for paper, packaging, and food serviceware. The organization was founded by leading U.S. producers representing retail, food, beverage, and consumer packaged goods manufacturing. CAA was incorporated as a nonprofit corporation on Dec. 21, 2022, and is recognized by the Internal Revenue Service as tax exempt under Internal Revenue Code Section 501(c)(3).

CAA has organized separate wholly owned nonprofit 501(c)(3) subsidiaries to serve as the representative organization for producers in each state that passes an EPR law. This approach is in keeping with the corporate structure of other recycling stewardship programs in California and is designed to maintain the financial and operational integrity of each state program. Under this structure, fees paid by California producers are expended to support the implementation of California's SB 54.

California law defines a PRO as an organization that is exempt from taxation under Section 501(c)(3) of the federal Internal Revenue Code of 1986 and is formed for the purpose of implementing a plan to meet the requirements of SB 54 [PRC 42041(x)].

CAA formed Circular Action Alliance California LLC (CAA California) as a single-member limited liability company with CAA as the sole member. Treasury Regulation 301.7701-3(c)(1)(v)(A) and IRS Announcement 99-102, 1999-43 I.R.B. 545 establishes that a limited liability company wholly owned by a section 501(c)(3) organization will automatically be treated as described in section 501(c)(3) and exempt under section 501(a) of the Internal Revenue Code. Thus, CAA California is a nonprofit organization described in section 501(c)(3) of the Internal Revenue Code and exempt from income tax under section 501(a) of the Internal Revenue Code. As a nonprofit, tax-exempt subsidiary, CAA California's revenues and expenses will be reportable within CAA's IRS Form 990 return and CAA California will be listed on Schedule R of the IRS Form 990.

CAA's Work in Other States

Outside of California, CAA operates active program plans in Oregon and Colorado, and it has been designated as the PRO in Maryland, Minnesota and Washington.

As an early leader in the U.S. packaging EPR space, CAA is uniquely positioned to operate such programs. Its foundational experience has strengthened its ability to develop and operate packaging EPR programs in a growing number of U.S. states.

California Program Plan Development

The California Department of Resources Recycling and Recovery (CalRecycle) selected CAA California as the state's inaugural, single PRO on Jan. 5, 2024. As of June 2026, more than 3,400 participant producers have registered with CAA California.

CAA California holds a non-voting seat on the Producer Responsibility Advisory Board and has participated in meetings since it was named as the PRO. Its engagement with the advisory board has helped shape this program plan, as has engagement through public channels.

CAA California held a series of public webinars in October 2025. These events provided CAA California the opportunity to engage with a diverse range of interested parties. These were held as CAA California was developing the program plan, and they provided key insights that informed the substance of each chapter. Each webinar featured a question-and-answer session, and CAA California also provided attendees an option to submit written comments after each webinar.

More than 2,500 registrants attended the webinar series, and more than 400 attendees submitted written responses.

CAA California circulated this program plan with several interested parties and worked closely with external subject matter experts throughout its development. The plan was reviewed, refined, and approved in accordance with CAA's internal governance processes prior to submission.

This program plan is organized into 12 chapters, each covering a key area of SB 54 compliance. These chapters are:

1. Environmental Justice
2. Reimbursement and Payment Process
3. Materials Strategy and Covered Material Compliance Plan
4. Strategy for Compostable Covered Materials
5. Responsible End Markets
6. Source Reduction
7. Education and Outreach
8. Budget Development
9. Fee-Setting
10. Eco-Modulation
11. CAA Management and Compliance
12. Closure and Transfer Plan

Work in Progress

CAA prepared this program plan under challenging and dynamic circumstances. The statewide Needs Assessment was delayed well beyond the initial deadlines and was not published until February 2026. Final implementing regulations, which SB 54 required CalRecycle to adopt by Jan. 1, 2025, were not approved by the Office of Administrative Law until May 1, 2026, a delay of 16 months. CAA has worked diligently throughout this period of regulatory uncertainty to incorporate new information, adapt to evolving requirements, and revise the program plan as the needs assessment and regulations were finalized.

Despite the persistent regulatory uncertainty, CAA launched a producer reporting process in Fall 2025 and in the absence of final regulations. CAA took these actions knowing that leaving producer reporting dependent on the timing of the final regulations could disrupt the submission of the program plan.

Notwithstanding these delays, challenges and open questions about critical components necessary for producer guidance on reporting supply and source reduction data, CAA has developed and is delivering a draft program plan for public consultation and advisory board review that will achieve source reduction, expand recycling infrastructure and support the development and maintenance of viable responsible end markets. Where specific compliance pathways remain constrained by infrastructure limitations, market conditions, or the compressed timeline created by the regulatory environment, CAA will use the compliance pathways established under SB 54 and the final regulations to ensure the program meets the requirements for an approved plan.

CAA is committed to working collaboratively with the advisory board, participant producers, CalRecycle and other interested parties to finalize a program plan that is both ambitious and achievable.

CAA anticipates continuing to revise this program plan between this submission and the final submission to CalRecycle in October 2026, reflecting ongoing regulatory analysis, advisory board feedback, public comment, and updated CalRecycle guidance as the program continues to take shape.

Public Comment

CAA California welcomes public comment on this program plan. The 60-day public comment period, which runs from June 15 through Aug. 14, is an important opportunity for interested parties to review the program plan and provide feedback to help inform its final development.

Feedback submitted during this period will be reviewed and considered as CAA California prepares the final program plan for submission to CalRecycle in October 2026.

Public comments can be submitted using a form located on CAA California's website:

<https://circularactionalliance.org/ca/program-plan-public-comment>.

