





August 6, 2026

TO: Members of the California Legislature

RE: PAUSE SB 54 (Allen-2022) BEFORE LEGISLATURE ADJOURNS ON AUGUST 31ST

We are the California businesses and workers who must implement and pay for SB 54 (Allen, Chapter 75, Statutes of 2022): the farmers, dairies, food and beverage producers, manufacturers, grocers, retailers, restaurants and their union workforces. We are asking you to pause SB 54 before you adjourn and return next session to substantially repair the program so California can actually achieve recycling mandates without making affordability worse for Californians. This is why:

In June of 2026, the real cost impacts were released publicly.

- **\$2 billion** in fees the first year. **Early invoices go out this month. Larger invoices in January.**
- **\$17.2 billion** in fees over the next five years, with a trajectory to **increase.**
- **\$78 billion** in compliance costs over five years — **3.5 times** what CalRecycle projected and what was disclosed to the Legislature.
- Up to **\$1,000 per family per year** in higher consumer good prices, including food, **starting in the fall.**

The program administrator, Circular Action Alliance (CAA), says it cannot meet the mandates of SB 54. California pays \$78 billion and misses the targets anyway.

CAA's own program plan seeks exemptions from \$50,000 per day, per violation for **56 packaging categories** and concedes the statutory mandates can not be met. This is because the statute itself has mandates and timelines in law that are now illuminated as not possible under the statutory construction of the law. No one voted for that.

The Legislature needs to **PAUSE** SB 54's implementation and prevent these cost increases from hitting consumers. The mandates and timelines are statutorily embedded. **ONLY** the Legislature can fix this problem. We urge you to take the time to repair SB 54 and build a program that can actually achieve sustainability goals in a cost-effective manner for all Californians.

Failing to Act Costs California Everything. Not acting results in a regressive, **up to \$1000 per year grocery/retail, tax on every California family.** Not acting costs **\$2 billion this year starting August 2026 and increases to up to \$2.7 billion in the 2nd year, \$3.3 billion in the 3rd year, \$4.2 billion in the 4th year, and \$5 billion in the 5th -- a total up to \$17.2 billion in just fees.** This is not new liabilities. This is not penalties. This is not even the cost on producers to change packaging, assembly lines and do R&D. Those **bring the total to \$78 billion in compliance costs on California businesses** — all for a program that **will not achieve SB 54 mandates embedded in statute.**

We respectfully ask the legislature to protect California families, businesses and workers, already hyper-sensitive to affordability issues, by acting this session to pause the program and come back next session to substantially repair it.

Californians for Affordable Packaging
Teamsters California
International Association of Machinists & Aerospace Workers
Consumer Brands Association
Dairy Institute of California
Consumer Technology Association
California League of Food Producers
Ameripen
Western Growers Association
Print Creative Alliance
California Rice Commission
UnitedAg
Asphalt Roofing Manufacturers Association (ARMA)
American Cleaning Institute
American Forest and Paper Association
Association of California Egg Farmers
California Association of Wheat Growers
California Bean Shippers Association
California Cannabis Operators Association
California Citrus Mutual
California Date Commission
California Grain and Feed Association
California Pear Growers Association
California Restaurant Association
California Seed Association
California State Floral Association
California Strawberry Commission
California Walnut Commission
California Table Grape Commission
California Fresh Fruit Association
African American Farmers of California
Flexible Packaging Association
Forest Products Industry Labor Management Committee
Western Tree Nut Association

Nisei Farmers League
Grower-Shipper Association of Central California
California Cotton Ginners and Growers Association
Polyisocyanurate Insulation Manufacturers Association
Pulp & Paperworkers' Resource Council
American Pistachio Growers
California Grocers Association
California Apple Commission
California Blueberry Commission
Olive Growers Council of California
Olive Oil Commission of California
Pacific Egg & Poultry Association
Plastics Industry Association
National Confectioners Association
National Grocers Association
North American Insulation Manufacturers Association
Printing United Alliance
Wine Institute