February 18, 2025

Ms. Zoe Heller, Director
California Department of Resources, Recycling and Recovery
1001 I Street
Sacramento, CA 95814
Via email to: wastechar@calrecycle.ca.gov

Re: SB 343 Material Characterization Study Preliminary Report Findings

Dear Director Heller,

Dairy Institute of California and our coalition partners Ag Council of California, California Chamber of Commerce, California League of Food Producers, California Grocers Association, Consumer Brands Association, International Dairy Foods Association and Wine Institute appreciate the opportunity to provide public comment regarding the SB 343 Material Characterization Study Revised Preliminary Findings Report. We appreciate the enormity of this undertaking and effort to establish a system in California that truly recycles materials. Product packaging is an important aspect of our members business operations from the ability of the packaging to help protect the quality and freshness of dairy products, to utility in the transportation process to our customers. Dairy product manufacturing and distribution lines are customized around the type of packaging material utilized to contain a particular product.

We are pleased to see the updated data regarding the recyclability of tin/steel cans and lids in Table 1 and 2 in the SB 343 Material Characterization Study (MCS) Revised Preliminary Findings Report. Steel cans and lids are utilized by food product manufacturers because they are durable and have a long self-life making them convenient for storage and distribution. Additionally, steel cans and lids are highly recyclable and there is a market demand for the recycled material.

However, we are concerned the SB 343 Material Characterization Study (MCS) Revised Preliminary Findings Report has incorrectly classified aseptic and gable top cartons as un-

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recyclable. We recommend creating a cross walk to provide clarity for our members as to how the SB 343 Material Characterization Study and SB 54 Covered Materials Categories list are interconnected to ease compliance with both regulations.

The revised preliminary SB 343 report now reflects a more accurate household access rate of above 70% for gable top cartons and aseptic containers in Table 1. However, Table 2 in the revised report indicates only 30% of the counties served by surveyed large volume transfer/processing facilities for sortation and outflow of cartons and aseptic containers. We are still concerned the sortation data and methodology used to establish the sortation threshold does not adequately reflect the realities of gable top cartons and aseptic containers sortation by MRFs in California. If the accurate sortation data is not accounted for in the final SB 343 report issued by Cal Recycle cartons and aseptic containers will lose the ability to display the recycling symbol.

This is an issue for Dairy Institute members and coalition members who utilize this packaging type for their fluid milk products and want to see the recycling symbol remain on their products packaged in aseptic and gable top cartons. The loss of the recycling symbol on aseptic and gable top cartons will lead to local jurisdictions no longer accepting these items for recycling curbside, resulting in a reduction in recycling rates across California. This would negatively impact the ability of these packaging materials to meet SB 54 requirements for all single use packaging materials (including cartons) to be recycled by 2023.

If fluid milk and beverage processors were banned from using gable top cartons and aseptic containers, they would have to transition their fluid beverage processing lines from cartons to HDPE or PET beverage bottles which would require a complete facility and manufacturing equipment retrofit.

Cartons are flat, compact and take up very little space in a fluid processing facility. Requiring a switch to HDPE or PET beverage bottles would require an increase in the square footage of manufacturing space to accommodate the plastic blow-mold machine or the pre-molded pallets of HDPE or PET bottles. Many of our fluid milk processors are operating in limited footprints and simply do not have the space to expand their facilities. Additionally, the cost to install new manufacturing equipment to accommodate the change comes with a hefty price tag ranging from an estimated $1.7 to $4.3 million for a small fluid milk processor and upwards of $40 million for a standard-sized fluid milk processor.

We believe the data collection efforts for the Material Characterization Study did not capture the full picture of gable top carton and aseptic container/cartons recycling in California and urge CalRecycle to consider current additional recycling data from the Carton Council of North America (CCNA).

CCNA has submitted third-party data to Cal Recycle that shows aseptic and gable top cartons are being sorted into defined streams at MRFs that serve 83% of the state's population.

Additionally, aseptic and gable top cartons are collected in programs and are sorted by MRFs in 23 counties versus the 9 currently listed in the Revised Preliminary Findings Report.

Large volume transfer and processing facilities need to be evaluated individually based on how they sort materials for recycling instead of on a statewide aggregate basis. These facilities do not operate in a uniform manner. Each facility sorts materials differently and should be given credit for the sortation of that material in the final report.

We encourage CalRecycle to consider this additional data regarding the recyclability of aseptic and gable top cartons in California prior to publishing the final Material Characterization Study. Ensuring that the recycling symbol remains on aseptic, and gable top cartons is important to our members as they work to meet the recycling goals outlined in SB 54.

SB 343 and SB 54 are intentionally interdependent, yet the Material Type & Form Codes and descriptions in the Material Characterization Study (MCS) and Covered Materials Categories (CMC) list do not align. In some cases, the two documents use unique terminology, such as using the term “thermoformed” in an MCS category describing certain plastic clamshells and containers. However, the term “thermoformed” is not used in the CMC list. It is not clear how Cal Recycle harmonizes information between these important documents in making general recyclability determinations for the CMC list. It is even more challenging for producers and consumers to clearly decipher which packaging materials are “recyclable” as the term is defined in SB 343. In each comment period, commenters have asked Cal Recycle to develop a “crosswalk” to facilitate understanding and to avoid unintentional errors that can result in costly penalties for producers. As Cal Recycle moves closer to its deadline, we reiterate the request for a crosswalk.

Thank you for your consideration of our concerns.

Sincerely,

Dairy Institute of California
Agricultural Council of California
California Chamber of Commerce
California League of Food Producers
California Grocers Association
Consumer Brands Association
International Dairy Foods Association
Wine Institute