



## OFFICE OF THE GOVERNOR

SEP 20 2024

To the Members of the California State Assembly:

I am returning Assembly Bill 457 without my signature.

This bill would decrease the California Redemption Value (CRV) deposit for wine and distilled spirits in a beverage container that is a box, bladder, pouch, or similar container less than 24 fluid ounces, from \$0.25 to \$0.10. The bill would also allow small beverage manufacturers to make a single, annual deposit for redemption payments under the Beverage Container Recycling Program (BCRP).

In 2022, I signed SB 1013, which added wine and distilled spirits to the BCRP, and included a \$0.25 CRV deposit for beverages sold in a box or bladder – such as boxed wine – in recognition that these containers are not easily recycled. By setting a higher CRV, SB 1013 created a market signal incentivizing the industry to either stimulate development and create recycling pathways for these materials, or bottle the beverages in a more cost effective – and thus, easier to recycle – manner, such as with glass or aluminum. Lowering the CRV for these materials, as proposed by this bill, would disrupt this market signal, create confusion for recyclers, and likely result in consumers paying a higher CRV than they will be able to redeem.

For this reason, I cannot sign this bill. However, I agree with the author that the state should do more to encourage participation from small beverage manufacturers in the BCRP, and am thereby directing the Department of



Resources Recycling and Recovery to incorporate similar reporting flexibility in the SB 1013 regulations currently under development.

Sincerely,

A handwritten signature in black ink, appearing to be "Gavin Newsom". The signature is stylized with several sharp peaks and a long horizontal tail extending to the right. It is positioned over the printed name "Gavin Newsom".

Gavin Newsom