



Oregon

Tina Kotek, Governor

Department of Environmental Quality
Materials Management Program
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March 5, 2026

Jeffrey Fieklow
Chief Executive Officer
Circular Action Alliance
Via email

Dear Mr. Fieklow:

Thank you for submitting Circular Action Alliance's [annual report \(financial data only\) for the start-up phase of 2023-2024](#) to the Department of Environmental Quality on June 30, 2025, as part of your implementation of a producer responsibility program for packaging, printing and writing paper, and food serviceware in Oregon under Senate Bill 582 of 2021 (Act).

This letter and its attachment comprise DEQ's official response to the report, pursuant to ORS 459A.887(4). DEQ's response was informed by [public comment](#), available on DEQ's website, and by input received from the Oregon Recycling System Advisory Council during its September 17 and October 14, 2025, meetings.

After reviewing the report and considering input received through public comments and the Council, DEQ conditionally approves the report, with the three revisions upon which approval is conditioned listed below.

DEQ's approval will be official effective upon receipt of the amended report from CAA.

While DEQ found that the report adequately addressed many of the requirements of OAR 340-090-0850, the additional revisions are needed to bring the report into full alignment with the requirements.

Summary of Directed Revisions

1. Identify costs for education and outreach and ORSOP. Pursuant to ORS 459A.887(2)(i), in the "Oregon Pre-Program Start Up Costs" table provided on page 4, provide further breakdown by program focus area payments that were made to third parties to fulfill PRO obligations under ORS 459A.860 to ORS 459A.975.
 - For example, under the header "Technical and Administrative Services," add a line item indicating the portion of these funds that was paid to third parties to fulfill PRO obligations for education and outreach pursuant to ORS 459A.893; and
 - under the header "Consulting," indicate the portion of these funds that was paid to third parties to fulfill PRO obligations to fund system expansion and understand local government needs pursuant to ORS 459A.890(5)(b).

2. Identify Oregon-specific indirect costs. Pursuant to the requirement under OAR 340-090-0850 that the PRO provide a complete accounting of 2024 costs, add to the report, either in the “Oregon Pre-Program Start Up Costs” table on pg 4 or on an additional, new pg 5, a line item representing the portion of indirect (rather than Oregon-specific, direct) costs that have been allocated to Oregon using the allocation methodology described on pg 22.
3. Indicate Oregon’s allocation factor and methodology for its determination in all future reports. DEQ requests that the numeric allocation factor used for allocation of a portion of CAA’s national 501(c)(3) costs to CAA’s Oregon LLC, and the method for deriving the factor, be provided in all future financial reports, beginning with the report due June 30, 2026, and covering the program year of 2025. Note: from 2025 onward, CAA is allocating a portion of costs incurred by its national 501(c)3 organization to its Oregon LLC (whereas for 2023-2024, the Oregon LLC was not yet operational, and no allocation across organizations occurred; rather, all 2023-2024 start-up expenses for Oregon were incurred by CAA’s national 501(c)3).

Pursuant to the requirement under ORS 459A.884(1) that fees must be set by the PRO adequately to cover expenditures, and the authority conferred to DEQ by ORS 459A.887(2)(y) to request additional information in annual reports, DEQ would like CAA to provide more certainty that national expenses are being reasonably allocated to Oregon by indicating on an ongoing basis what Oregon’s allocation factor is.

We look forward to continued collaboration with CAA and other partners to modernize Oregon’s recycling system.

Sincerely,


Cheryl Grabham (Mar 5, 2026 09:06:35 PST)

Cheryl Grabham
Manager, Product Stewardship Program