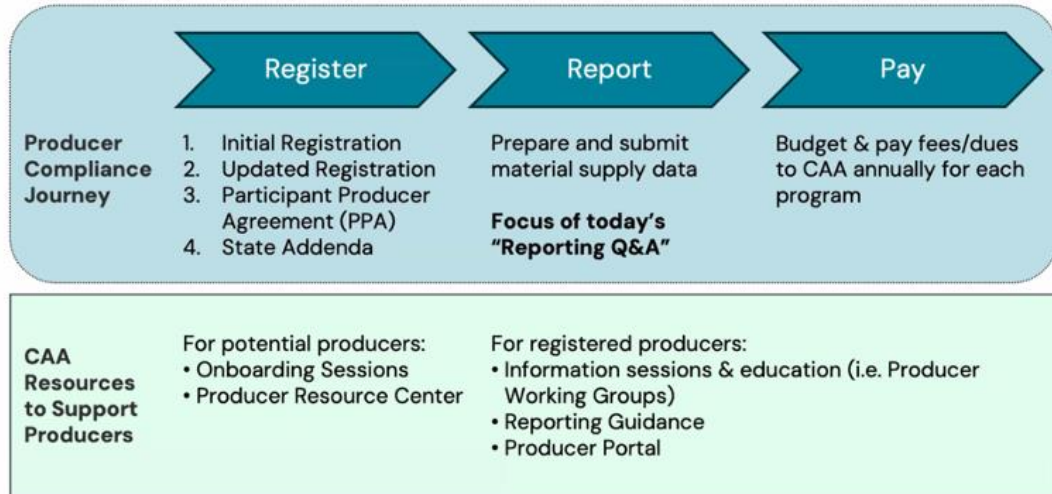


CAA's Producer Compliance Steps

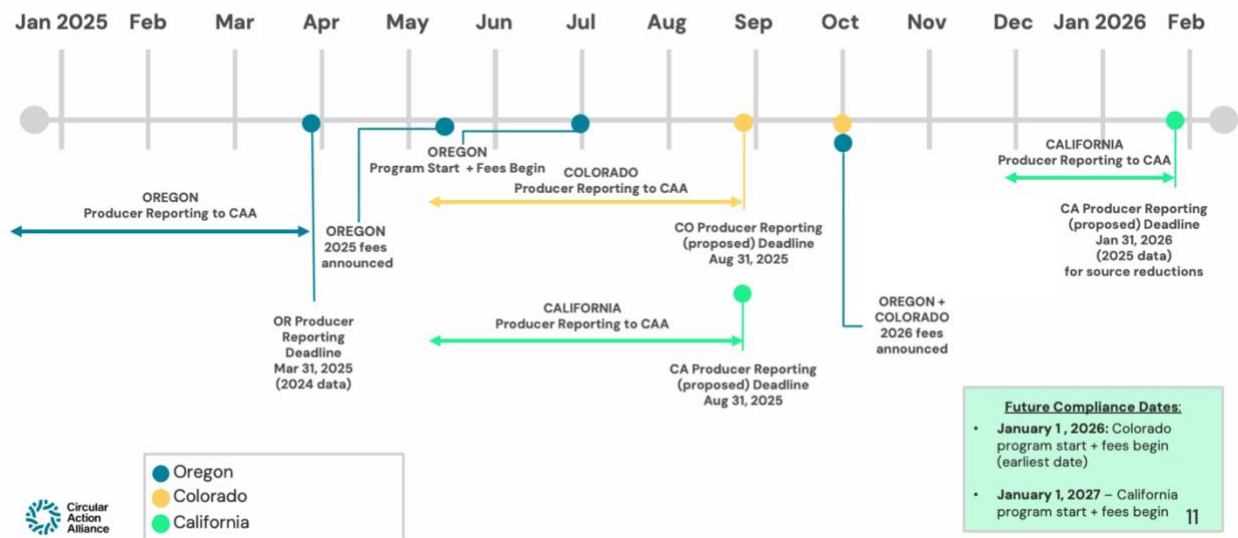


Why Producer Reporting is Essential for EPR Success

Accurate material supply reporting is a compliance requirement, and it's also your opportunity to contribute to a fair, effective, and sustainable EPR system.

- **Drives Accurate Fee Setting:** Full participation and accurate/on-time reporting ensures fee rates accurately reflect total producer supply by material category.
- **Ensures Fairness Across Producers:** Producers equitably contribute fees based on their market supply within material categories.
- **Supports the Measurement of EPR Programs:** Allows for tracking against program goals and targets, including eco-modulation.

2025 Compliance Deadlines – Reporting to CAA



Producer Reporting Requirements – Summary

Participant Producer Agreement (PPA):

- Submit producer reports on supply of covered material
- Submit producer reports in the format and by the Report Date outlined in each State Addendum or as determined by CAA
- Ensure producer reports cover specified Data Year
- Correct previously filed reports in error within 30 days of identifying the need for correction

Oregon State Addendum complements the PPA:

- Submit qualitative info specific to Oregon’s program such as affiliated/associated producers, brands and methodologies used to generate producer reports
- Submit quantitative data on supply of covered materials, correctly categorized within **Oregon Reporting Categories**
- Submit producer supports by Reporting Dates as defined by CAA
- Producers shall pay all Producer Fee obligations retroactively, for any period they are obligated to pay fees

Once EPR programs reach steady-state, producers will submit a producer report once annually for all applicable EPR programs

CAA Reporting Guidance includes various elements for Producers

1. Covered Materials & Producer Definitions
 - Released Sep 2024 ON WEBSITE, will be updated as new information is available
2. Preparing to Report your Supply Data
 - Qualitative data (affiliations, producer type, brand list, etc.)
 - Quantitative data (accepted reporting methodologies, how to report covered materials)
3. Material Reporting Categories & Definitions
4. Other Program-Specific Guidance (Eco-modulation, Source Reduction, etc.)

Detailed producer reporting guidance documents will be available upon completion for producers that have signed the the PPA



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Qualitative Producer Data

- List of affiliated or associated producers
- Disclosure of the methodology used to prepare your supply data
 - In Oregon, per O.A.R. § 340-090-0700(1)(d):
 - Producers must submit a description of their methodology for calculating covered product weight to the producer responsibility organization along with the data.
 - Methodology used must be in accordance with applicable best practices.
- List of company brands in your supply report



Quantitative Producer Data

1. Determine supply volumes of covered materials supplied in each applicable EPR state
2. Calculate packaging weights using accepted methodologies
- = Calculate total reported supply (in lbs.) by reporting category

CAA’s Producer Portal, once launched in Q1-2025, will provide a template for entering total supply (in lbs.) by reporting category.



1. Determining Supply Volumes

Reported Data Should Reflect Supply Volume from The Data Year

- **Data Year:** The calendar year or period for which a producer’s reported supply data should be representative.
- **Report Date:** The deadline by which your producer supply report must be submitted to CAA.
- **Payment Dates:** The date by which your producer fees/dues are due to CAA, as specified on the invoice and subject to any applicable payment terms.
- **Program Year:** The calendar year or period when state or program compliance obligations and targets apply. Typically, the Program Year follows the Payment Date and Report Date by one year, and follows the Data Year by two years, though there may be exceptions during the program’s startup phase.

Example for Oregon Program (Proposed Dates)

Data Year	Report Date	Payment Dates	Program Year
Jan – Dec, 2024	Mar 31, 2025	Jul 15, 2025	Jul – Dec, 2025
		Jan 15 & Jul 15, 2026	Jan – Dec, 2026
Jan – Dec, 2025	May 31, 2026	Jan 15 & Jul 15, 2027	Jan – Dec, 2027
Jan – Dec, 2026	May 31, 2027	Jan 15 & Jul 15, 2028	Jan – Dec, 2028

If 2024 data is not fully available, producers may use 2023 supply data as a baseline and update it to accurately represent 2024 supply. This approach is permitted solely for the March 31, 2025 submission.





1. Determining Supply Volumes

Apportioning National Sales to a Program When State-Specific Data is Not Available

- If you cannot obtain state-specific sales data for products or services supplied through retailers or vendors, you may use the following formula to estimate sales for each applicable EPR state.
- This apportionment method should be used only when actual point-of-sale data from retail partners is unavailable, as direct sales data provides a more accurate reflection of supply for the reporting year.

Formula to Estimate Units Supplied in a U.S. EPR Program:

- $(P1/P2) \times \text{U.S. national sales}$

Where:

- P1 = Population of the EPR state (e.g., California, Colorado, Oregon), according to the latest U.S. Census Bureau data.
- P2 = Total population of all U.S. states and Washington D.C. where a representative volume the product is sold, based on the latest U.S. Census data. Exclude U.S. states from P2 if an immaterial or nonrepresentative volume of the product is sold.
- U.S. national sales = Total units of the product and associated packaging sold in the U.S. during the Data Year.



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2. Calculate Packaging Weights Using Accepted Methodologies

- **Most preferred: Specific Material Reporting Method**
 - This approach is ideal for producers who maintain detailed bills of materials and inventories specifying the weight and type of materials used for each packaging and paper product.
 - Involves calculating and reporting the exact weight of each individual packaging component and paper product, categorized by material type for which you are the responsible producer.
 - Using this method, producers report specific weights for each material type associated with their products, providing a highly accurate representation of quantities supplied to the market.
- **Less preferred: Average Bill of Materials (ABOM) Method**
 - The ABOM method is a practical approach for producers who supply a wide range of products and covered materials but lack readily available data on the types or weights of individual packaging and paper materials.
 - This method relies on representative sampling strategies within groups of products that share similar packaging formats and attributes to estimate the total quantities of covered materials supplied.
 - Rather than weighing the packaging for each individual product, producers using the ABOM method can select a representative sample from each subgroup of similar products.
- **Least preferred: Sector Calculators**
 - CAA does not provide sector-specific calculators, tools that estimate packaging weights based on industry norms, since using these calculators is generally less accurate than SMRM or ABOM methodologies.
 - They should be relied upon only in cases of significant data gaps where other reporting methodologies are not feasible.
 - Producers using sector calculators must disclose the methodologies applied, including details of any assumptions or averages used, as part of their reporting submission.
 - Furthermore, the use of sector calculators may not be permitted indefinitely.



Role of Producer Supply Data to Calculate Fee Rates & Budget Fees



- The quantity of supply, along with cost to manage, determines the distribution of program costs amongst producers.
- Producers will be required to report 2024 supply data (12 months) by March 31, 2025.
 - The team will then verify supply reports before calculating total producer supply to use as the final denominator for the 2025 fee rates.
 - The final fee schedule will then be published in May/June 2025 and fee invoices will be issued in June 2025 ahead of the program launch on July 1, 2025.
- As a result, OR Program Plan 3 will include low and high scenarios for the fee rate estimates.



CAA Report Validation & Substantiation Requests

Report Validation

- CAA will perform report validations and may contact producers for clarification or to verify additional data.
- This step ensures that all reported information meets the required standards and aligns with program guidelines.

Substantiation Requests

- As previously described, when reporting to CAA, producers must submit all methodologies used for data preparation.
- Upon request, producers may be asked to provide additional calculations, substantiation for updates, or estimates to confirm the data's reasonability.
- This practice promotes fairness and supports accurate fee-setting across all producers.



Producer Compliance & Enforcement

- Per ORS 459A.869(8), **CAA will establish a searchable registry** disclosing all CAA's compliant members and non-compliant members.
- **CAA will monitor compliance by conducting periodic audits.**
- **CAA will first notify a non-compliant producer of any deficiency and provide the producer an opportunity to respond and to cure the delinquency.**
- For any program year that a producer is found to be non-compliant because they are not reporting and paying fees accurately or on-time, **the producer will retroactively pay all fees during the period of non-compliance, subject to any late charges or liquidated damages.**
- In the event that CAA is unable to adequately resolve a non-compliance,
 - CAA will send a notification to DEQ after completing its internal compliance processes, and
 - producers may also be subject to DEQ enforcement fines or penalties.



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Recap & Next Steps

- Start preparing your supply data for Oregon as soon as possible
 - Identify your responsible person or team internally
 - Determining your supply volume of covered materials
 - Calculating packaging weights using accepted methodologies
 - Calculating total reported supply for submission on CAA's Producer Portal in Q1-2025
- CAA has developed accepted methodologies that provide flexibility for Oregon reporting, when detailed information is not available
- CAA is finalizing additional detailed guidance available for producers that have signed the PPA by the end of Nov 2024
- CAA is available to support producers through this process
 - Contact producer.support@circularaction.org for the fastest response to your questions

