



June 24, 2010

**TO:** Members of the California State Assembly & California State Senate  
**FROM:** The Thursday Group  
**RE:** **The Thursday Group Bill List**

The Thursday Group is committed to promoting public policies that strike a reasonable balance between economic growth and environmental protection. We believe that environmental protection is an integral component of doing business in today's world. The fact is California has among the most stringent environmental laws in the country which, in most instances, go well beyond federal laws. The continued prosperity of the state's economy is dependent on leadership that uses these laws to protect the environment while leaving California's businesses the flexibility to implement innovative, cost-effective solutions that help ensure a healthy business climate.

Over the past several years, The Thursday Group has worked with members of the Legislature and their staff to resolve the business community's concerns on a broad range of environment-related legislative initiatives. The Thursday Group is a coalition of California's leading business organizations dedicated to restoring balance to environmental policy making, allowing for reasonable progress on environmental protection without undermining California's economic foundation.

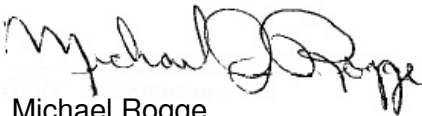
The attached list identifies 14 bills that The Thursday Group opposes. On an individual basis, these bills typically offer little environmental benefit while imposing significant additional costs on businesses and making California less competitive in the global economy. When these costs are viewed in isolation, as is typically the case in the legislative process, they can be easily dismissed as insignificant relative to the greater good of environmental protection. The Thursday Group encourages members of the Legislature to consider the potential cumulative impact of these bills in the context of California's economic recovery. California businesses cannot continue to absorb new costs and remain competitive or viable over the long term. The Thursday Group members are committed to working with authors and staff to the extent possible to achieve the objectives of these bills without imposing new costs and administrative burdens on California businesses.

The Thursday Group appreciates your consideration of our views on these measures. If you would like more information about The Thursday Group, please contact Michael J. Rogge with the California Manufacturers & Technology Association at (916) 498-3313.

## THE THURSDAY GROUP MEMBERSHIP

Agricultural Council of California  
Alliance of Automobile Manufacturers  
American Chemistry Council  
American Electronics Association  
American Forest and Paper Association  
BIOCOM  
California Association of Wheat Growers  
California Building Industry Association  
California Business Properties Association  
California Citrus Mutual  
California Construction and Industrial Materials  
Association  
California Cotton Growers & Ginners Association  
California Farm Bureau Federation  
California Film Extruders and Converters  
Association  
California Forestry Association  
California Grain and Feed Association  
California Healthcare Institute  
California Independent Oil Marketers Association  
California Independent Petroleum Association  
California League of Food Processors  
California Manufacturers & Technology  
Association  
California Motor Car Dealers Association  
California Natural Gas Producers Association  
California Paint Council  
California Railroad Industry  
California Restaurant Association  
California Seed Association  
California Space Authority

California Wood Industries Coalition  
Can Manufactures Institute  
Carpet and Rug Institute  
Caterpillar Inc.  
Chemical Industry Council of California  
Chlorine Chemistry Council  
Composite Panel Association  
Consumer Specialty Products Association  
Cosmetic Toiletries and Fragrance Association  
CTIA-The Wireless Association  
DuPont  
Engine Manufacturers Association  
Formaldehyde Council, Inc.  
Grocery Manufacturers Association  
Industrial Environmental Association  
International Council of Cruise Lines  
Lumber Association of California and Nevada  
Metal Finishing Association of Southern California  
Nisei Farmers League  
Pacific Merchant Shipping Association  
Plumbing Manufacturers Institute  
Rubber Manufacturers Association  
Soap and Detergent Association  
Society of the Plastics Industry  
Styrene Information and Research Council  
Surface Technology Association  
Western Growers  
Western Plant Health Association  
Western States Petroleum Association  
Western United Dairymen  
Western Wood Preservers Institute



Michael Rogge  
Policy Director  
California Manufacturers & Technology Association



## Oppose List June 24, 2010

### **AB 737 (Chesbro) – Mandatory commercial recycling**

This bill prejudices the work product of an existing regulatory process by imposing its own commercial recycling mandate on California businesses. The bill fails to provide much-needed statewide exemptions for certain types of businesses and circumstances, creating a situation where different local jurisdictions may have different rules that do not account for the many legitimate problems that could arise for a business subject to a commercial recycling mandate. Aside from the inconsistency that would be created by the bill, AB 737 also only imposes its mandate on the private sector rather than including all state and local government facilities, including schools, hospitals, and more. If it is truly the state's goal to increase the diversion rate through increased recycling, then it would be folly to exempt state and local government facilities from the same mandate that is being imposed upon the business community. *Contact: Robert Callahan 444-6670*

### **AB 846 (Torrice) – State agencies: civil and administrative penalties**

This bill would significantly increase the cost of doing business in California by automatically adjusting maximum and minimum penalties upwards according to inflation and raising penalties even further according to an arbitrary rounding scheme. Five departments and boards would be required to increase their penalties in this way, including the California Air Resources Board, the Department of Industrial Relations, the State Water Resources Control Board, the Department of Toxic Substances Control, and the Department of Pesticide Regulation. California is already amongst the most costly states in which to do business in a complex regulatory environment. By further driving up costs, California businesses may be forced to make the choice to leave the state, taking jobs and our tax base with them. *Contact: Robert Callahan 444-6670*

### **AB 1998 (Brownley) – Recycling: plastic and paper carryout bags**

This legislation would ban specified retailers from providing customers with fully recyclable plastic bags, require those same retailers to charge their customers at least \$0.05 for each paper bag, and dismantle a statewide plastic bag recycling program that was established pursuant to AB 2449 (Levine, Stats. 2006). The bill also requires the Department of CalRecycle to establish standards and to certify reusable bags at a cost of approximately \$1 million a year, equivalent to 15 new positions. It is estimated that over 500 California manufacturing jobs will be lost with thousands of other vendors being affected if this legislation is passed. *Contact: Randy Pollack 448-4848*

### **AB 2256 (Huffman) – Product Labeling: Flushable Products**

AB 2256 imposes a labeling regulation before any research has confirmed what clogs sewer pipes and screens. The bill not only doesn't address non-flushable products, fats-oils-grease and aging sewer infrastructure, but presumes that a statute can better impact what consumers flush better

than can direct consumer outreach by sanitary districts or industry. *Contact: Chuck Halnan 447-6006*

### **AB 2398 (J.Perez) – Product Stewardship: Carpet**

AB 2398 would prohibit producers and retailers of carpet from selling carpet in California unless the producer or a carpet stewardship organization (organization) has submitted a stewardship plan to the Department of Resources Recycling and Recovery (DRRR). The carpet industry is one of the few remaining American manufacturing industries and is part of the manufacturing base in California. During the past several years, sales for carpet products in California are down over 30%, and significant jobs have been lost in both manufacturing and retail due to the recession. AB 2398 will place additional burdens on an industry that is already under severe economic pressure and is already working voluntarily to meet this challenge. *Contact: Randy Pollack 448-4848*

### **AB 2598 (Brownley) – Tidelands and Submerged Lands: Sea Level Action Plan**

This bill would create new CEQA litigation opportunities for opportunist plaintiff organizations to delay, stop, or shake down activities in the coastal region of the state, without resolving any existing CEQA ambiguities and uncertainty related to sea level rise. The administration has commenced a Climate Change Adaptation Strategy, and the official Climate Adaptation Advisory Panel is developing formal recommendations for addressing adaptation in the state. In light of these developments, this bill is premature and will most likely confuse the state's adaptation processes. *Contact: Tony Francois 448-2162*

### **SB 346 (Kehoe) – Brake Friction Materials**

By banning the use of copper in auto brake pads, SB 346 mandates the use of a technology that does not exist. There is currently no viable, environmentally safe alternative to copper, which then subjects the motoring public to safety risks. The effective date has been moved to 2025 with no "off-ramp" if no viable alternatives to copper exist at that time. This is a date that brake manufacturer suppliers say does not provide them with enough time to develop and test new alternative materials. By requiring all existing cars to meet the new ban, it would mandate the placing of brakes on cars that they were not engineered nor built to perform with, thus subjecting drivers to potential safety and performance problems. Creates two regulatory processes for copper. The bill creates a legislative ban, but still subjects the use of copper to the "Green Chemistry Initiative" regulatory process. Brake manufacturers could be held to competing and conflicting regulatory and manufacturing schedules. Recent state of Washington legislation provides a thoughtful process to eliminate copper which balances environmental needs and vehicle safety. *Contact: Curt Augustine 447-7315*

### **SB 797 (Pavley) – Product safety: Bisphenol A**

This bill would ban the use of products containing Bisphenol-A (BPA) like bottles, cups or canned foods for children under 3 despite the fact that ten international regulatory bodies have determined it is safe for use in food contact applications. In addition, the bill fails to realize that alternatives to BPA based canned food liners are not readily available for all applications and products. A blanket ban on BPA based epoxy coatings for canned foods would have significant implications for the food processing industry and utilization of unproven alternatives could jeopardize food safety. Finally, SB 797 runs counter to California's landmark "Green Chemistry Initiative" which sought to remove "chemical safety" decisions from the politically charged legislative setting and instead create a process by which the Dept. of Toxics Substances Control (DTSC) will identify

potential chemicals of concern in consumer products, evaluate those chemicals, and implement an appropriate regulatory response – including an outright ban – if necessary. DTSC is on track to implement this program by the statutory deadline of January 2011 and the Legislature should not make a political end-run around this science-based effort.

*Contact: Tim Shestek 448-2581*

### **SB 928 (Simitian) - Consumer Products: Content Information**

SB 928 would require full ingredient disclosure for all air care products, automotive products, cleaning products, and polish/floor maintenance products. First, SB 928 goes beyond the authority granted states under the preemption exemption in the Consumer Product Safety Act (CPSA, 15 USC 2051), failing to protect against harm not already covered by CPSA. Second, it fails to prioritize products containing intentionally added chemical ingredients in concentrations above applicable thresholds and products containing chemical ingredients which pose more than a *de minimis* exposure threat during use. Additionally, we believe that disclosure of ingredients under SB 928 is inconsistent with US Federal laws protecting intellectual property and overlooks the value of trade secrets as provided for under California's Uniform Trade Secrets Act; the full disclosure of ingredients and formulas will make companies vulnerable to loss of these trade secret protections. Finally, the bill provides no protections against private rights of action, including actions that may arise under California Business & Professions Code Sections 17200 and 17500 – a manufacturer or wholesaler acting in good faith should not be liable to third party lawsuits. *Contact: Mike Rogge 498-3313*

### **SB 1006 (Pavley) – Natural Resources: Climate Change**

This bill would create new CEQA litigation opportunities for opportunist plaintiff organizations to delay, stop, or shake down activities throughout the state, without resolving any existing CEQA ambiguities and uncertainty related to climate adaptation. The administration has commenced a Climate Change Adaptation Strategy, and the official Climate Adaptation Advisory Panel is developing formal recommendations for addressing adaptation in the state. In light of these developments, this bill is premature and will most likely confuse the state's adaptation processes.

*Contact: Tony Francois 448-2162*

### **SB 1100 (Corbett) – Product Stewardship: Household Batteries**

SB 1100 would prohibit the sale of a "household battery" (defined to include both rechargeable and single use alkaline batteries) unless the manufacturer has established a product stewardship plan (PSP) to collect and recycle batteries that is approved by the Cal Recycle. Furthermore, the bill establishes recycling rate goals and imposes a \$5000 per day administrative penalty for failing to achieve the recycling rates. SB 1100 ignores the current rechargeable battery recycling program which is industry sponsored to provide convenient recycling opportunities **and** the fact that there is no science to prove that alkaline batteries cause a problem in California landfills. If the bill were enacted, battery manufacturers would incur major compliance costs that would be passed on to consumers -- DTSC data indicates that the cost to recycle alkaline batteries alone would equal 30 cents to 36 cents per battery which is likely to exceed the actual retail cost of the battery. *Contact: Ralph Simoni 441-5050*

### **SB 1157 (DeSaulnier) - Education Healthy School Act of 2010**

The ability of schools to be able to manage their pest control needs is tied to their ability to utilize Integrated Pest Management (IPM) systems. IPM systems are a "toolbox" of control options designed to protect human health and the environment. Users of IPM systems utilize the least

toxic options first, and only increase the class of chemical as necessary. The California Department of Pesticide Regulations (CDPR) administers the “California Healthy Schools Program”. CDPR provides guidance on appropriate IPM strategies, and provides schools with information on products that have already been authorized through strict scientific study. This program was developed by the Legislature without the imposition of fees or any new costs to schools. We do not believe that requiring a new fee is appropriate or needed for the continuance of this program. We oppose the new fees proposed for a program already in effect. *Contact: Laurie Nelson 498-3349*

**SB 1326 (Oropeza) – California Conservation Corps**

SB 1326 would appropriate 25 million dollars from the California Electronic Waste Recovery and Recycling Account (\$15 million to Local Conservation Corps and \$10 million to California Conservation Corps). According to the author, these monies would be used to create jobs that would include collecting and recycling of waste. Appropriating \$25 million from the Electronic Waste Recycling Act fund to provide grants to the Corp is not good public policy. Currently, any local community conservation corp may collect or recycle covered electronic waste (CEW) and receive funding from the program as long as the local corp completes the required application forms and is approved by CalRecycle and the Department of Toxic Substance Control. In fact, a number of local corps have already received approval to collect the covered electronic waste and receive funding from this program. As of this date, all of the participating local corps together have collected approximately 100,000 pounds over the five year history of the program. *Contact: Joe Gregorich 443-9059*

**SB 1433 (Leno) – Air Pollution Penalties: Inflation Adjustments**

SB 1433 increases air pollution penalties by automatically adjusting them for inflation, which reduces the likelihood that periodic, comprehensive reviews of such laws will be conducted by the Legislature. If maximum fines and penalties need to be raised for particular air pollution laws, it is appropriate that the authority for such a change remain vested in the Legislature. Adjusting these penalties on autopilot sets a bad policy precedent, reduces regulatory accountability, and would lead to unnecessarily punitive results for California businesses.

*Contact: Robert Callahan 446-6670*