

PRESS RELEASE

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Governor Signs Legislation to Help Prevent Plastic Milk Crate Theft

(SACRAMENTO)- Monday Governor Arnold Schwarzenegger signed AB 2289, authored by Assemblyman Ira Ruskin (D-Redwood City), into legislation. The bill is a solution to help California dairymen; milk processors and beverage distributors stem the tide in plastic milk crate and beverage container theft.

"We are very pleased that the Governor signed AB 2289. It demonstrates how important plastic milk crates are to our business," said Amos DeGroot, a dairy processor in Downey, California and sponsor of the bill. "The huge losses that our businesses have faced over the years due to theft of our plastic milk crates and beverage carriers are overwhelming and out-of-control. Now we have a solution and penalty that will ensure thieves think twice before they take our private property for re-sale to plastic recyclers," he added.

"I honestly had no idea milk crate theft was such a huge problem in California," Ruskin said. "Neither did most of my fellow legislators. But once everyone learned it was costing businesses millions of dollars every year, it was obvious this needed a legislative solution. I was glad to author the bill to shed light on the issue."

BACKGROUND: Dairymen and beverage distributors have lost millions of dollars to replacement costs of plastic milk crates and beverage carriers/pallets due to theft. Amos DeGroot, has spent more than \$1.62 million to replace stolen plastic milk crates during a 12-month period. These losses have had a major impact to the bottom line of his dairy processing and distribution business. AB 2289 is absolutely essential for him and other dairymen like him to help keep their operating costs down and remain profitable.

THE SOLUTION: The recently signed law mandates any person selling five or more plastic milk crates or beverage carriers to provide a bill of sale or proof of ownership for the plastic goods. This is a requirement and will be especially important when owners of the plastic products sell to plastic recyclers or regrinders.

Additionally, any purchaser or leasee of these items is required to retain a copy of the bill of sale or evidence that supports the sale for one year from the date of purchase or delivery, whichever is later.

This new law:

- Makes it a crime for an unauthorized person to possess more than five plastic merchandise shells, milk cases or milk crates.
- Makes it illegal to obliterate the company owner's name on the milk cases and crate, this includes illegal shredding.
- Requires those persons involved in the recycling, shredding or destruction process to obtain a copy of the bill of sale or other evidence of ownership.

THE PENALTY: Recycling reprocessors caught shredding plastic milk crates/plastic carrying cases will be subject to prosecution on misdemeanor charges if the cumulative value is \$400 or less. If the value of property value exceeds \$400 then the crime will be treated as a felony.

The new law will take effect beginning January 1, 2007.

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