



{Gen. 4-06}

TO: MEMBERS

March 20, 2006

LEGISLATIVE UPDATE

Election year maneuvers have already sidelined the opportunity for genuine progress in the state Legislature. Recent efforts by the governor to put a massive infrastructure bond package on the June primary election ballot came to an unsuccessful end this week. Both Democrats and Republicans are expedient enough to know that voters are concerned about deteriorating highways and river levees. Once the governor proposed his bond package, it was up to the Legislature to pass measures allowing these borrowing proposals to go on the ballot for voter approval. Democrats balked, and some Republicans did, too. Negotiations stalled, and the deadline for placement on the June ballot could not be met.

In hind sight, it may prove unhelpful to Democrats seeking to take back the governor's office to move the bond package to November ballot, as is now planned. That is when Governor Schwarzenegger will use the bond drive to amplify his own campaign for re-election, showcasing the need for infrastructure investment, better roads and levee protection, and his efforts to obtain funding projects critical to the state's future.

The governor will face either State Treasurer Phil Angelides or State Controller Steve Westly in the November general election. Both Democrats are already airing commercials, and using their respective offices to enhance their stature in the race against Arnold.

Before November, the governor must still negotiate a state budget for the 2006-2007 fiscal year, which begins July 1. Any prolonged budget stalemate will detract from the campaigns of legislators as well as the governor. So far, the budget has been overshadowed by the bond negotiations. The state Senate and Assembly are set to begin budget hearings in the next month, moving toward the June 15th deadline for submission of an approved budget to the governor. Right now, the Department of Food and Agriculture is preparing to fight recommendations by the state's Legislative Analyst which propose that the dairy industry absorb more program costs through fees, namely in the area of food safety and security. Industry representatives will likely join with the Department to oppose such proposals and support the Governor's budget for increased state funding of enhanced animal health and biosecurity preparedness programs.

Legislation sponsored by Dairy Institute, as well as other measures of interest to Dairy Institute members are summarized in this bulletin. If you would like additional information, please contact Rachel Kaldor at Dairy Institute.

Senate Bills

SB 1573 Alarcon (D-Sun Valley): Solid Waste Packaging

This bill would require the California Integrated Waste Management Board to establish guidelines for the manufacture, purchase and disposal of packaging, prohibit manufacturers from using “excess” packaging, require use specific percentages of recycled material in packaging and create incentives for manufacturers and purchasers to use recyclable material in the manufacture of packaging.

Sponsor: Californians Against Waste

Status: Scheduled for hearing in Senate Environmental Quality Committee on April 3, 2006.

DIC Position: Oppose

SB 1734 Cox (R- Sacramento): Prison Industry Authority: Dairy Products

This bill would prohibit public sales of dairy products manufactured in California prison facilities.

Sponsor: Dairy Institute

Status: Scheduled for hearing in the Senate Governmental Organization Committee on April 25, 2006.

SB 1778 Alarcon (D-Sun Valley): Solid Waste: Labeling of Beverage Containers

This bill would require bottles made from polylactic acid to carry an identifying code designation of “8” or “PLA.”

Sponsor: Californians Against Waste

Status: Scheduled for hearing in Senate Environmental Quality Committee on April 17, 2006.

DIC Position: Oppose

Assembly Bills

AB 1790 Cohn (D-Campbell): Nutrition – Fresh Start Program

This bill would replace the requirement that school children be served a specified number of servings of “nutritious” fruits and vegetables to a requirement that those servings be of “fresh” fruits and vegetables. This bill would remove the compromise developed between the governor’s office and agricultural and food processing organizations which would have allowed the use of fresh, canned or frozen products under the newly established “Fresh Start” pilot program.

Sponsor: Assembly Member Cohn

Status: Not yet scheduled for hearing in the Assembly Education Committee.

DIC Position: Oppose

AB 1866 Karnette (D-Long Beach): Recycling of Polystyrene Containers

This measure would prohibit state facilities from selling, possessing or distributing polystyrene food containers, and would require that any vendor of a state agency be prohibited from selling, possessing or distributing a polystyrene food container at a state facility.

Sponsor: Assembly Member Karnette

Status: Scheduled for hearing in the Assembly Natural Resources Committee on March 27, 2006.

DIC Position: Oppose

AB 2147 Harman (R-Huntington Beach): Solid Waste – Compostable Plastic Food and Beverage Containers

This bill would require that food and beverage containers labeled as “biodegradable,” “compostable,” or “degradable” meet current American Society for Testing and Material standards in order to carry such label declarations.

Sponsor: Biodegradable Plastics Institute

Status: Scheduled for hearing in the Assembly Natural Resources Committee on April 3, 2006.

DIC Position: Monitor

AB 2289 Ruskin (D-Redwood City): Solid Waste: Plastic Reprocessing

This bill would require a business or person engaged in plastic reprocessing to obtain a permit from the California Integrated Waste Management Board, and would require the Board to adopt regulations which include a prohibition on use, possession or destruction of milk cases. The Board would also administer inspection of operations.

Sponsor: Rockview Dairies

Status: Not yet scheduled for hearing in the Assembly Natural Resources Committee.

DIC Position: Support

AB 2343 Assembly Agriculture Committee: Producer Security Trust Fund

This bill would amend the statutes governing the funding and operation of the Producer Security Trust Fund to end assessments as of January 1, 2007, and allow the fund to reduce to \$30 million before assessments on all classes of milk would be used to restore the fund to \$30 million. The bill would also require that specified levels of milk purchases be secured by approved financial instruments to maintain the level of protection provided under current law.

Sponsor: Dairy Institute

Status: Scheduled for hearing in the Assembly Agriculture Committee on April 5, 2006.

AB 2449 Levine (D-Van Nuys): Recycling – Plastic Bags

This bill would create a recycling program, similar to the bottle deposit program, for #4 Low Density Polyethylene (LDPE) bags.

Sponsor: Californians Against Waste

Status: Not yet assigned to a policy committee.

DIC Position: Monitor

AB 2628 Baca (D-Rialto): Perchlorate

This bill would appropriate an unspecified amount to the County of San Bernardino to remediate the soil and groundwater contaminated by perchlorate that is located on and in the vicinity of the Rialto Ammunition Backup Storage Point property.

Sponsor: The County of San Bernardino

Status: Not yet assigned to a policy committee.

DIC Position: Monitor

AB 2734 Hancock (D-Berkeley): Solid Waste – Plastic Containers

This bill would remove original provisions of the “source reduced” option for compliance under the Rigid Plastic Packaging law.

Sponsor: Assembly Member Hancock

Status: Not yet scheduled for hearing in the Assembly Natural Resources Committee.

DIC Position: Monitor

AB 2845 Bogh (R-Beaumont): Beverage Containers: Recycling and Litter Cleanup Grants

This bill would increase the amount the Department of Conservation is authorized to expend for city and county recycling and litter cleanup activities from \$10,500,000 to \$15,000,000 and would increase the minimum payments to cities and counties from \$5,000 and \$10,000 to \$10,000 and \$15,000 respectively.

Sponsor: City of Beaumont

Status: Not yet scheduled for hearing in the Assembly Natural Resources Committee.

DIC Position: Monitor

AB 2906 Assembly Agriculture Committee: Milk Inspection Services

This bill would require permitting of milk tanker cleaning facilities, in accordance with National Conference on Interstate Milk Shipments standards.

Sponsor: California Department of Food and Agriculture, Milk and Dairy Foods Safety Branch

Status: Scheduled for hearing in the Assembly Agriculture Committee on April 5, 2006.

DIC Position: Support

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