



GAIL FARBER, CHAIR
MARGARET CLARK, VICE-CHAIR

LOS ANGELES COUNTY
SOLID WASTE MANAGEMENT COMMITTEE/
INTEGRATED WASTE MANAGEMENT TASK FORCE
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June 17, 2011

The Honorable Ron Calderon, Chair
Senate Insurance Committee
State Capital, Room 112
Sacramento, CA 94249-0001

Dear Senator Calderon:

**ASSEMBLY BILL 480 (AMENDED JUNE 10, 2011) - OPPOSE
INSURANCE: SOLID WASTE FACILITIES**

The Los Angeles County Solid Waste Management Committee/Integrated Waste Management Task Force (Task Force) **opposes** Assembly Bill 480 (AB 480) which would significantly weaken existing requirements on captive insurance for the required solid waste landfills' closure and/or postclosure maintenance and/or reasonably foreseeable corrective action.

Currently, all issuers of an insurance policy must adhere to California Department of Insurance (CDI) licensing requirements in order to address the inadequacy of captive insurance in meeting landfill financial assurance demonstration as specified in the California Code of Regulations, Title 27. The current regulations which became effective in 2002, were developed by California Department of Resources Recycling and Recovery, CalRecycle, (formerly the California Integrated Waste Management Board) in conjunction with the State Water Resources Control Board after many hearings and significant input by all stakeholders including, but not limited to, landfill owners/operators and local governments. Any proposal which weakens existing regulations or releases captive insurance companies from CDI requirements would pose a financial risk to the State and more specifically local governments. In the event a landfill owner/operator, owning the affected insurance company, files for bankruptcy or walks away from its fiduciary responsibility, it would leave those cities and counties that had used the facility for disposal of solid waste generated by their residents and businesses liable for most of the cost of the landfill's closure, postclosure maintenance, and/or corrective action, and related environmental impairments.

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Pursuant to Chapter 3.67 of the Los Angeles County Code and the California Integrated Waste Management Act of 1989 (AB 939, as amended), the Task Force is responsible for coordinating the development of all major solid waste planning documents prepared for the County of Los Angeles and the 88 cities in Los Angeles County with a combined population in excess of 10 million. Consistent with these responsibilities, and to ensure a coordinated, cost-effective, and environmentally-sound solid waste management system in Los Angeles County, the Task Force also addresses issues impacting the system on a countywide basis. The Task Force membership includes representatives of the League of California Cities-Los Angeles County Division, the County of Los Angeles Board of Supervisors, the City of Los Angeles, the waste management industry, environmental groups, the public, and a number of other governmental agencies.

For the reasons mentioned, the Task Force opposes AB 480 as amended on June 10, 2011. Should you have any questions, please contact Mr. Mike Mohajer of the Task Force at (909) 592-1147.

Sincerely,



Margaret Clark, Vice-Chair
Los Angeles County Solid Waste Management Committee/
Integrated Waste management Task Force and
Council Member, City of Rosemead

MMM:mmm

cc: Senate President Pro Tem Darrell Steinberg
Honorable Jose Solorio
Each Members Senate Insurance Committee and Consultant
Each Member of the Los Angeles County Legislative Delegation
Each Member of the County of Los Angeles Board of Supervisors
Each City Mayor and City Manager in the County of Los Angeles
California State Association of Counties
League of California Cities
League of California Cities, Los Angeles County Division
Southern California Association of Governments
San Gabriel Valley Council of Governments
South Bay Cities Council of Governments
San Fernando Valley Council of Governments
Gateway Cities Council of Governments

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Westside Cities Council of Governments
Each City Recycling Coordinator in Los Angeles County
Each Member of the Los Angeles County Integrated Waste Management Task Force
Each Member of the Task Force's Facility & Plan Review Subcommittee