



LOS ANGELES COUNTY  
SOLID WASTE MANAGEMENT COMMITTEE/  
INTEGRATED WASTE MANAGEMENT TASK FORCE  
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GAIL FARBER, CHAIR  
MARGARET CLARK, VICE-CHAIR

September 5, 2012

The Honorable Edmund G. Brown Jr.  
Governor, State of California  
State Capitol Building  
Sacramento, CA 95814

Dear Governor Brown:

**VETO REQUEST - ASSEMBLY BILL 480 (SOLORIO): INSURANCE, SOLID WASTE FACILITIES**

The Los Angeles County Solid Waste Management Committee/Integrated Waste Management Task Force (Task Force) has reviewed Assembly Bill 480 (AB 480) and **respectfully requests** that you **veto** this bill. The Task Force makes this request for the following reasons:

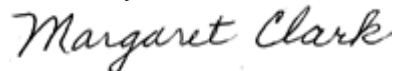
- The Bill would greatly weaken California's existing insurance requirements regarding private landfill owners/operators' financial assurance obligations toward proper landfill closure, post-closure, and corrective actions. The Bill would allow private landfill operators to rely on captive insurance (self-insured) and no longer require the owner/operator's insurance carrier to be a California admitted (licensed) insurer or provide the insurance through a surplus line broker.
- The Bill would pose an environmental and financial risk to the State as well as local governments. It is imperative to recognize that a landfill's potential environmental impacts or contamination may exist long after trash ceases to be accepted at the facility, in other words, in perpetuity. For this reason, AB 2296 (Montanez, chapter 504 of 2006 statutes) was enacted to require a landfill's financial assurance to be kept in place until CalRecycle determines the landfill is no longer a threat to the environment based on field studies and engineering analyses. Under AB 480, if a private landfill owner/operator owning the affected captive insurance company files for bankruptcy or walks away from its fiduciary responsibility, cities and counties that have sent waste to the landfill would be liable for the costs of the landfill's closure, post-closure maintenance, corrective actions, and related environmental impairments.

- This Bill takes a backwards approach to determining the viability of captive insurance. It would allow private landfill owners/operators to self-insure up to one-half of the required financial assurance obligation, while the Department of Resources Recycling and Recovery (CalRecycle) conducts a study to determine the feasibility of such a system. If captive insurance is to be considered, such a study must be completed prior to the Legislature considering the lifting of the current prohibitions to captive insurance.

As provided by Assembly Bill 939 (AB 939, 1989) and Chapter 3.67 of the Los Angeles County Code, the Task Force is responsible for coordinating the development of major solid waste planning documents for Los Angeles County and the 88 cities in the County with a population of over ten million. The Task Force also addresses issues impacting the solid waste management system on a countywide basis.

For the foregoing reasons, the Task Force **respectfully requests your veto on AB 480**. If you have any questions, please contact Mr. Mike Mohajer of the Task Force at [MikeMohajer@yahoo.com](mailto:MikeMohajer@yahoo.com) or (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

CM:ts

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cc: David Lanier, Office of Governor Brown  
Martha Guzman-Aceves, Office of Governor Brown  
Caroll Mortensen, Director, CalRecycle  
Each Member of the County of Los Angeles Board of Supervisors  
Each City Mayor in the County of Los Angeles  
Each 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  
California Contract Cities Association  
San Gabriel Council of Governments  
South Bay Cities Council of Governments  
Westside Cities Council of Governments  
Each Member of the Los Angeles County Integrated Waste Management Task Force