



GAIL FARBER, CHAIR
MARGARET CLARK, VICE CHAIR

LOS ANGELES COUNTY
SOLID WASTE MANAGEMENT COMMITTEE/
INTEGRATED WASTE MANAGEMENT TASK FORCE
900 SOUTH FREMONT AVENUE, ALHAMBRA, CALIFORNIA 91803-1331
P.O. BOX 1460, ALHAMBRA, CALIFORNIA 91802-1460
www.lacountyiswmtf.org

February 15, 2011

Mr. Mark E. Leary, Acting Director
Department of Resources Recycling and Recovery (CalRecycle)
801 K Street, MS 19-01
Sacramento, CA 95814

Dear Mr. Leary:

FINANCIAL ASSURANCE REGULATION REGARDING CAPTIVE INSURANCE

The Los Angeles County Solid Waste Management Committee/Integrated Waste Management Task Force (Task Force) is concerned about the petition submitted to CalRecycle by Waste Management, Inc., dated October 29, 2010, requesting an amendment to the California Code of Regulations, Title 27, Section 22248 (CalRecycle - Closure and/or Postclosure Maintenance and/or Reasonably Foreseeable Corrective Action Insurance), to repeal specified licensing requirements of captive insurance companies. The Task Force is especially concerned about any proposal that will weaken existing requirements on captive insurance and requests CalRecycle to keep the Task Force apprised of any correspondences, workshops, or updates on rulemaking regarding this matter. The Task Force is aware that CalRecycle will review the specified section, include it in the 2011 Rulemaking Calendar, and schedule a public workshop.

The Task Force recalls that the specified section was revised in regulations and became effective on June 8, 2002, to require all issuers of an insurance policy to adhere to California Department of Insurance (CDI) licensing requirements in order to address the inadequacy of captive insurance in meeting landfill financial assurance demonstration. Any proposal that 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 captive 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, or corrective actions, 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.

We appreciate the opportunity to provide input and participate in the regulatory process. If 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

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cc: California Integrated Waste Management Board (Ted Rauh, Mark De Bie,
Scott Walker, Richard Castle)
California State Association of Counties
League of California Cities
League of California Cities, Los Angeles County Division
Each Member of the County of Los Angeles Board of Supervisors
Each City Mayor in the County of Los Angeles
San Gabriel Valley Council of Governments
South Bay Cities Council of Governments
Gateway Cities Council of Governments
Each Member of the Los Angeles County Integrated Waste Management Task Force