



SWANA[®]
SOLID WASTE ASSOCIATION
of North America

CALIFORNIA CHAPTERS

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LEGISLATIVE TASK FORCE

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June 23, 2011

The Honorable Joe Simitian
Chair, Senate Environmental Quality Committee
State Capitol, Room 2205
Sacramento, CA 95814

RE: AB 480 (Solorio) Insurance: solid waste facilities - OPPOSE

Dear Chair Simitian,

The Solid Waste Association of North America (SWANA), the largest association of solid waste professionals (7,700 members), is committed to advancing the practices of environmentally and economically sound management of municipal solid waste. On behalf of their California Chapters, I am urging you to **OPPOSE AB 480** (Solorio) regarding insurance requirements for solid waste facilities.

AB 480 would specify that an insurance carrier established by a solid waste facility operator to meet the financial assurance obligations of that operator that meets all of those specified requirements shall be eligible to provide that insurance and shall not be required to be a California admitted insurer nor be required to provide the insurance through a surplus line broker.

The California Department of Resources Recycling and Recovery, CalRecycle, (formerly the California Integrated Waste Management Board) in conjunction with the State Water Resources Control Board, developed regulations, related to captive insurance, which became effective in 2002, 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, post closure maintenance, and/or corrective action, and related environmental impairments.

For these reasons, SWANA regrettably must **OPPOSE AB 480 (Solorio)** and urges your "no" vote when it is heard in committee.

Sincerely,

Tressa Wallace
Legislative Advocate

Cc: Members and Consultants, Senate Environmental Quality Committee
The Honorable Jose Solorio