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SB 772 - Protecting Children from Toxic Furniture

For decades, California has had a unique and misguided fire safety regulation that has loaded furniture sold in our state with highly toxic fire-retardant chemicals. Fire retardant chemicals migrate from furniture into the dust in the air in our homes and from there into our bodies. Babies ingest the chemicals when they chew or suck on their bassinets and other furniture.



These toxic brominated and chlorinated chemicals are related to TRIS, a fire retardant once used in children's pajamas banned by federal authorities in 1977 as a carcinogen. These fire retardants are associated with cancer, birth defects, thyroid disruption, hearing deficits, learning disorders and mental retardation.

SB 772 (Leno) would strike the proper balance between protecting infants and children from harmful toxic exposures and any limited

legitimate use of fire retardants. The bill would allow the Bureau of Electronic and Appliance Repair, Home Furnishings and Thermal Insulation to require use of fire retardants in juvenile products if the Bureau determines that the product poses a fire hazard.

Last year the bill stalled in Assembly Appropriations, where it has languished ever since. Buoyed by the prospects of electing a new, more consumer friendly Governor this November, advocates plan to hold off on taking the bill up again until next year.

The disappointment of coming up just short on SB 772 was recently overshadowed by some unexpected good news. Recent testing by the Bureau has determined that the juvenile products identified in the legislation do not pose a fire hazard. The Bureau is proposing to exempt strollers, infant carriers, nursing pillows, as well as articles manufactured for recreational use or physical fitness purposes from the Technical Bulletin 117 (TB117) flammability standard, which achieves most of the goals of SB 772.

A broad coalition of consumer, health, environmental and public safety groups strongly support the proposed regulation change to TB 117. California parents should have the choice to purchase toxic-free children's furnishings.

About Us

The Consumer Federation of California (CFC) is a non-profit advocacy organization. Since 1960, CFC has been a powerful voice for consumer rights, campaigning for state and federal laws that place consumer protection ahead of corporate profit. Each year, CFC testifies before the California legislature on dozens of bills that affect millions of our state's consumers and appears before state agencies in support of consumer regulations.

Contributes are not tax deductible

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The California Consumer

THE NEWSLETTER OF THE CONSUMER FEDERATION OF CALIFORNIA

SUMMER 2010

Polluter Bail Outs on November Ballot

Prop 26 – Polluters Want Tax-payers To Clean Up Their Mess

Exxon Mobil, Chevron, ConocoPhillips, Philip Morris, MillerCoors, Anheuser Busch and other oil and alcohol producers spent over \$2 million to qualify Prop 26 for the ballot – and plan to spend millions more to ensure its passage.



The measure would shift the burden of cleaning up pollution or remedying harm to public health off of industry and onto the backs of California taxpayers.

Under current law, it takes a simple majority of the legislature or a local government agency to levy a mitigation fee on a business activity that harms the environment, public health or safety. Prop 26 would reclassify these fees as taxes, which would require approval by two-thirds of the legislature for state fees (an almost impossible task), or by a two-thirds majority vote in an election for many local fees.

Examples of existing fees that would have required a two-thirds vote under Prop 26 include fees on paint manufacturers to test children for exposure to lead paint, and fees on oil companies to enforce used oil recycling programs.

Fees used for pollution clean up, public safety, public health, and education would also be jeopardized. Even fees used to prevent underage drinking have been labeled by proponents as a "hidden tax." If big businesses can get out from under the responsibility to mitigate the harm they cause, taxpayers will foot the bill.

But that's not all. The measure was written to apply retroactively to fee changes imposed after January 1, 2010. According to the Legisla-

tive Analyst's Office official summary of Proposition 26, this clause would put an additional billion dollar hole into the current state budget. It annuls the "Gas Tax Swap" enacted in March.

Because this adjustment to the amount of gas tax levied on distributors and motorists did not raise the total amount of taxes collected, it did not require a two-thirds supermajority of the legislature to win passage, but it did free up an additional one billion dollars a year for the state general fund. Passage of Prop 26 takes an additional billion dollars away from our schools and public safety.

Proposition 26 opponents include the League of Women Voters, American Lung Association of California, California Federation of Teachers, Sierra Club, California Nurses Association, Consumer Federation of California, California Labor Federation, and California Alliance for Retired Americans.

Proposition 26 is nearly identical to Prop 37 which appeared on the ballot in 2000. A coalition of environmental, consumer, public health, labor and good government groups defeated that measure. This year, look for the same toxic mix of big oil, big tobacco and big alcohol to pump even more money into the Prop 26 campaign.

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2010 LEGISLATIVE SUMMARY

The following is a brief legislative report on key consumer rights bills (partial list)

CFC Supported Bills Headed To Governor's Desk

AB 1060 (De La Torre) would help to reduce sales of alcoholic beverages to underage or intoxicated persons by requiring a cashier for an alcohol sales transaction in a retail store.

AB 2457 (Salas) would establish the California Financial Literacy Fund which would support partnerships between the financial services community and governmental and nongovernmental stakeholders to improve the California's financial literacy

SB 797 (Pavley) would remove the toxic chemical bisphenol A (BPA) from baby bottles, sippy cups, and infant formula cans - specifically those designed for children three years or younger.

SB 933 (Oropeza) would prohibit retailers from imposing a surcharge on consumers who use debit cards to make purchase.

SB 1166 (Simitian) would require financial privacy security breach notices to inform potential victims of identity theft about the nature of the breach, and to include contact information for credit reporting agencies.

CFC Supported Bills in the Assembly

SB 427 (Negrete Mcleod) would require the parts invoice for any replacement airbag installed in a motor vehicle repair to be attached to the final repair invoice given to a consumer.

SB 810 (Leno) would establish "single payer" guaranteed comprehensive health insurance for every California resident and streamline claims and reimbursements - saving billions of dollars in health care administrative costs.

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CFC's November 2010 Ballot Recommendations

X No on Prop 23 – The Dirty Energy Initiative

✓ Yes on Prop 24 - The Tax Fairness Act

✓ Yes on Prop 25: The California Democracy Act

X No on Prop 26 - The Polluter Protection Act



2010 LEGISLATIVE SUMMARY

(Continued from front page)

SB 885 (Corbett) would allow consumers to redeem the remaining value of their gift card if the cash value is up to \$10 and requires a statement on the gift card about the law, thereby giving consumers greater control over their own money.

SB 1106 (Yee) would require sample prescription drugs received at a doctor's offices or medical clinic to be accompanied with the same written information regarding the drugs that would normally be received from a pharmacist.

SB 1268 (Simitian) would provide important privacy protections for users of electronic toll collection systems, such as FasTrak, in California.

SB 1275 (Steinberg/Leno) would require that homeowners receive notice of their rights regarding their loans prior to foreclosure and remedies for those whose rights were violated under this act.

CFC Supported Bills in the Senate

AB 2393 (Ammiano) would ensure that private for profit proprietary post-secondary institutions provide truthful information in materials provided to potential students regarding student success rates, job placement rates or graduates' salaries.

AB 2578 (Jones) would require prior approval from the Department of Managed Health Care (DMHC) or the Department of Insurance before an HMO or health insurer can increase insurance rates charged to policyholders

AB 2654 (Hill) would protect consumers from deceptive solicitations from non-governmental agencies posing as government fee notification letters.

CFC Supported Bills Killed in Senate

AB 919 (Nava) would have required corporations to consult their shareholders and give them an opportunity to opt out of having their money spent on elections and political activities.

SB 1264 (Leno) would have provided protections for passengers who are forced to remain on a plane for more than two hours by requiring airlines to provide water, food, fresh air, and functioning restrooms.

CFC Opposed Bills Killed in Senate

AB 377 (Mendoza) would increase the maximum loan amount for a payday loan from \$300 to \$500 while legitimizing internet payday lending and offering unattractive re-payment plans.

CFC Opposed Bills Killed in Assembly

AB 1833 (Logue) would require specified agencies—CalEPA, the state Air Resources Board (ARB), and the Division of Occupational Safety & Health (Cal/OSHA)—to conduct unnecessary and apparently duplicative reviews of numerous rules and standards promulgated by those same agencies.

Prop 23 – Texas Oil Companies Against Emissions Reduction

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Texas-based oil refiners Valero and Tesoro are near the top of the list of the worst polluters, and they don't like a California law that would force them to reduce their carbon emissions. That's why they are top funders of Prop 23, which would halt AB 32, California's landmark global warming emissions reduction law, until unemployment in our state fell below 5.5% for four consecutive quarters. Tesoro ranks 24th and Valero ranks 28th among the worst polluters in the US, according to the University of Massachusetts study of polluters.

While refineries that profit off of the status quo would have us believe that global warming reductions hurts jobs, a majority of Californians disagree, according to recent polling by the Public Policy Institute of California. On the contrary, stronger global warming laws spur the creation of new green energy industries. With AB 32, California is poised to be a world leader in creating green technology jobs. Prop 23 would be a disincentive for industries that are growing at ten times the rate of overall job creation in our state – and push California to the back of the pack in facing up to the climate crisis that threatens our planet's future.

Prop 24 & 25 – Ending the Budget Madness

California is one of only three states that require a two-thirds legislative majority to approve a budget. This peculiar rule empowers a small minority of ultra-conservative legislators to hold the budget hostage to their "cuts-only" demands as California teeters to the brink of insolvency. To keep fire stations, schools and health clinics running, the majority party was forced to approve supersized tax breaks for big corporations, while raising taxes on workers and retirees.

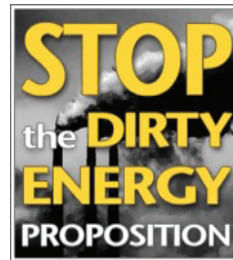
In budget deals in 2008 and 2009, the minority party jammed through last minute tax cuts for the state's most profitable corporations worth nearly \$2 billion in perpetuity. These tax cuts were approved without any legitimate legislative hearings.

Proposition 24 would repeal this backroom corporate giveaway. For good reason too: according to the Legislative Analyst's Office, corporate taxes accounted for 15.4 percent of the general revenue collected by California in 1976, but once these tax breaks take full effect in 2014, corporations would account for only 9.4 percent of general tax collections.

These tax giveaways mostly benefit large interstate corporations, providing almost no help to small business. And this corporate welfare is not tied to job creation or other changes that would help our state's economy. The wealthiest corporations reap a windfall for maintaining business as usual.

Proposition 25 would change the rules from a two-thirds super-majority to a simple majority of the legislature to enact the budget. The current two-thirds super-majority required to increase taxes would remain unchanged under Prop 25. If Prop 25 were the law in 2008 and 2009, California's budget hole would be about \$2 billion smaller.

California now faces a \$19.9 billion deficit and yet another budget stalemate in the State Legislature. Prop 24 and Prop 25 would turn us away from the path to ruin that minority rule has led our state.



Greed Heads to the Ballot Box - Again



By Richard Holober, *Consumer Federation of California*

The defeat of Propositions 16 and 17 in June was welcome news for Californians fed up with the use of the initiative to advance narrow private corporate interests. The lavish spending by PG&E (\$42 million on Prop 16) and Mercury Insurance (\$17 million on Prop 17) only confirmed voters' suspicions that private gain was the real agenda motivating the measures.

November brings a new crop of initiatives designed to maximize profits for outmoded industries. Prop 23 is funded mostly by two Texas-based oil companies whose California refineries rank among the state's worst for air pollution.

These big oil companies will try to sell the fantasy that they want to reduce their greenhouse gas emissions, but not now, God forbid. For big oil, the fight against global warming must wait until the Tooth Fairy ushers in an era of permanent low unemployment.



Prop 26 is paid for by big oil, tobacco and alcohol companies, to impose extreme two-thirds approval requirements before the legislature or voters can assess fees to remedy the environmental or public health harm their business activities cause. If these industries prevail, they can shirk their responsibility, and taxpayers will end up footing the bill to clean up their mess.

No doubt, as opponents of these measures, we will be outspent 100 to 1 by companies that profit off of dirty air, toxic contamination, chronic illness and premature death.

But there is a silver lining. The June election demonstrated that there is a saturation point for money in initiative campaigns.

ExxonMobil, Chevron, Philip Morris, and Valero are perfect targets for voters' anger in November. The more these companies spend, the bigger the bull's eye they put on themselves. The result may well be stronger popular support for greenhouse gas reduction and fees to mitigate pollution or harm to public health.

Progress in the Fight for Toxic Free Children

SB 797 (Pavley) and SB 772 (Leno) – SB 797 (Pavley) and SB 772 (Leno) – two landmark bills that would reduce children's exposure to toxic chemicals – are approaching two distinct fates after facing aggressive, deceptive, and extremely well funded chemical industry opposition campaigns and long, grueling, and contentious journeys through the minefield that is the California Legislature.

SB 797 – Protecting Children from Toxic Baby Products

Growing evidence suggests that toxic bisphenol A (BPA), a component found in plastic food and beverage containers, presents a heightened risk for negative health impacts for babies and young children.

In late 2008 the National Institutes of Health's National Toxicology Program declared its concern about the effects of low levels of BPAs on brain development, behavior, and the male reproductive systems of infants and children. Also in 2008, the FDA's Advisory Science Board found that the FDA's prior safety assessment for BPA was seriously flawed. And a recently released study by researchers at the University of Cincinnati says that exposure to bisphenol A may increase heart disease in women.

Now, the European Union is re-examining the issue, and a new European Food Safety Authority opinion is expected sometime later this month. Four nations aren't waiting for the new study. Germany, France, Denmark and Sweden have already taken action in some form against BPA use.

Seven states — Connecticut, Maryland, Minnesota, New York, Vermont, Washington and Wisconsin — have also banned BPA in containers for young children's food products.

SB 797 (Pavley) would ban the chemical from baby bottles, sippy cups, and infant formula cans sold or made in California - specifically those designed for children three years or younger.

Despite fierce industry opposition, SB 797 recently passed the State Assembly. The bill is now one small step away from the Governor's desk.

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