

April 17, 2015

TO:

Members, Assembly Environmental Safety and Toxic Materials Committee

FROM: California Chamber of Commerce Advanced Medical Technology Association Agricultural Council of California Alhambra Chamber of Commerce Alliance of Automobile Manufacturers American Apparel and Footwear Association American Coatings Association American Composite Manufacturers Association American Frozen Foods Institute American Herbal Products Association American Home Furnishings Alliance Associated Roofing Contractors of the Bay Area Counties, Inc. Association of Home Appliance Manufacturers Auburn Chamber of Commerce Automotive Specialty Products Alliance **Breen Color Concentrates** Building Owners and Managers Association of California California Apartment Association California Association of Boutique & Breakfast Inns California Association of Health Facilities California Association of Realtors California Association of Winegrape Growers California Attractions and Parks Association California Business Properties Association California Cotton Ginners Association California Cotton Growers Association California Farm Bureau Federation California Furniture Manufacturers Association California Hospital Association California Hotel and Lodging Association California League of Food Processors California Manufacturers and Technology Association California Metals Coalition California Paint Council California Restaurant Association California Retailers Association California Small Business Alliance California Travel Association Camarillo Chamber of Commerce **Cerritos Regional Chamber of Commerce** Chamber of Commerce, Mountain View Chemical Industry Council of California Commercial Real Estate Development Association **Composite Panel Association** Consumer Electronics Association **Consumer Specialty Products Association** Council for Responsible Nutrition El Centro Chamber of Commerce Fashion Accessories Shippers Association Frozen Potato Products Institute Fullerton Chamber of Commerce **Gateway Chambers Alliance** Goleta Valley Chamber of Commerce

Greater Riverside Chamber of Commerce Greater San Fernando Valley Chamber of Commerce **Grocery Manufacturers Association** Industrial Environmental Association Information Technology Industry Council International Council of Shopping Centers International Franchise Association International Fragrance Association, North America ISSA, the Worldwide Cleaning Industry Association Lonseal Metal Finishing Association of Northern California Metal Finishing Association of Southern California National Aerosol Association National Council of Textile Organizations National Electrical Manufacturers Association National Federation of Independent Businesses National Shooting Sports Foundation North American Home Furnishings Association **Orange Chamber of Commerce** Oxnard Chamber of Commerce Palm Desert Area Chamber of Commerce Personal Care Products Council Plumbing Manufacturers International Printing Industries of California Redondo Beach Chamber of Commerce **Ripon Chamber of Commerce Rubber Manufacturers Association** San Diego Regional Chamber of Commerce San Francisco Chamber of Commerce Santa Clara Chamber of Commerce and Convention-Visitors Bureau Santa Maria Valley Chamber of Commerce and Visitors Bureau Simi Valley Chamber of Commerce South Bay Association of Chambers of Commerce Southwest California Legislative Council Sporting Arms and Ammunition Manufacturers Institute Styrene Information Research Center The Art and Creative Materials Institute, Inc. The Chamber of Commerce of the Santa Barbara Region **Torrance Area Chamber of Commerce Toy Industry Association Travel Goods Association** West Coast Lumber and Building Materials Association Western Agricultural Processors Association Western Carwash Association Western Growers Association Western Plant Health Association Writing Instrument Manufacturers Association

SUBJECT: AB 543 (QUIRK) PROPOSITION 65: EXPOSURE HEARING SCHEDULED – APRIL 28, 2015 SUPPORT – AS AMENDED APRIL 6, 2015

The California Chamber of Commerce and the above-listed organizations are pleased to **SUPPORT AB 543 (Quirk)**, which would promote the use of and reliance on a scientific exposure assessment when making decisions about whether or not to warn under the Safe Drinking Water and Toxic Enforcement Act of 1986 ("Proposition 65").

Proposition 65 requires California businesses with 10 or more employees to provide a clear and reasonable warning before "knowingly and intentionally" exposing individuals to chemicals known to cause cancer and/or reproductive toxicity. Businesses may use a Proposition 65-listed chemical without providing a warning so long as the exposure does not exceed a specified threshold level. Notwithstanding this so-called "safe harbor" from the warning requirement, businesses often provide warnings on their products or facilities out of an abundance of caution, even if no chemical exposure is present or if the chemical exposure is occurring below specified threshold levels. This is because if a business rightfully and lawfully elects not to warn on the basis that its scientific exposure assessment concludes that the exposure does not exceed the threshold level, its risk of being sued is actually greater than if it provides a warning unnecessarily.

This unfortunate reality has resulted in what is often-referred to as the "overwarning" problem, where California consumers are warned about chemical exposures that are either non-existent or that are occurring at infinitesimal levels. The Government, the NGO community, and the business community, have acknowledged that overwarning is a problem. Even the California Supreme Court has noted that "the problems of overwarning are exacerbated if warnings must be given even as to very remote risks." *Dowhal v. SmithKline Beecham Consumer Healthcare*, 32 Cal.4th 910, 932-35 (2004), quoting *Carlin v. Superior Court*, 13 Cal.4th 1104, 1115 (1997).

AB 543 is a modest improvement that encourages the use of a scientific exposure assessment by providing that a business does not "knowingly and intentionally" expose individuals to Proposition 65-listed chemicals and thus need not provide a warning if the exposure assessment (1) is documented in writing and prepared by or under the supervision of a qualified scientist; (2) is conducted in accordance with existing regulations; and (3) concludes that the business is not exposing an individual to a Proposition 65-listed chemical at a level requiring a warning.

By clarifying the circumstances in which a business would not be deemed to have the requisite knowledge and intent necessary to support an alleged violation, **AB 543** will create an incentive—where none currently exists—for a business to use science as the predicate for a decision to warn or not. Accordingly, **AB 543** will provide businesses with greater confidence in the utility of conducting scientific exposure assessments and, in doing so, will restore meaning to warnings that the law actual requires to advise consumers about chemical exposures exceeding Proposition 65 warning levels. For these reasons, we support **AB 543 (Quirk)**.

cc: Martha Guzman-Aceves, Office of the Governor The Honorable Assembly Member Bill Quirk Robert Fredenburg, Assembly Environmental Safety and Toxic Materials Committee John Kennedy, Assembly Republican Caucus District Office, Members, Assembly Environmental Safety and Toxic Materials Committee

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