

For Immediate Release

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GOVERNOR SIGNS BEVERAGE RECYCLING RELIEF MEASURE

CGA to seek long-term solution.

SACRAMENTO, CA - (March 9, 2010) Governor Arnold Schwarzenegger today signed CGA-backed legislation designed to restore the state's beleaguered Beverage Container Recycling Program and Fund to solvency through June.

Additionally, the bill helps to lay the groundwork for a long-term solution by temporarily implementing many of the issues grocers will seek in a long-term fix. The measure, AB 8x 7 (Evans et. al.) was approved by the Legislature more than a week ago.

Specific components of the bill include:

- Temporary acceleration of distributor payments into the fund.
- Temporary reductions in non-core expenditures.
- A requirement that program participants be given at least 90-days notice of any future proportionate reductions.
- A prohibition on future borrowing from the Beverage Container Recycling Fund.
- Retroactive restoration of proportionate reductions through June 30, 2010.

In his signing message, the Governor made clear that he expects further work to be completed this year. He noted that, "...structural changes to the Program are essential before the next fiscal year begins in order to ensure that program participants do not see another loss in funding. I urge the Legislature to work with my Administration expeditiously to enact the long-term solutions I proposed in January."

In the next several weeks, recyclers should begin to see relief as the bill took effect immediately upon the Governor's signature.

CGA President Ronald Fong called the Governor's signing, "a positive first step on the road to a permanent solution." CGA is seeking a long-term legislative fix that will restore and improve the landmark program.

Major issues to be addressed in the long term include prioritization of fund expenditures, addressing citing issues that often prevent willing grocers from facilitating recycling operations, and updating the antiquated convenience zone system that hampers competition and convenience.

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The California Grocers Association is a non-profit trade association representing the food industry since 1898. CGA represents approximately 500 retail members operating over 6,000 food stores in California and Nevada, and approximately 200 grocery supplier companies. Retail membership includes chain and independent supermarkets, convenience stores and mass merchandisers.