

June 18, 2010

The Honorable Pedro Nava
Chair, Assembly Environmental Safety and Toxic Materials Committee
California State Assembly
State Capitol, Room 2148
Sacramento, California 95814

RE: Senate Bill 1100 – OPPOSE AS AMENDED JUNE 15, 2010

Dear Assembly Member Nava:

On behalf of the California Healthcare Institute (CHI), the statewide public policy association representing our innovative life sciences sector -- biotechnology, pharmaceutical, medical device and diagnostics companies, venture capital firms, research universities and institutes and its 275,000 workers, I am writing to indicate our strong opposition to SB 1100, legislation that would give CalRecycle broad authority to stop the sale of life-saving medical devices in the state.

SB 1100 could not come at a worse time for California consumers. There are no mechanisms within the bill for cost containment or cost/benefit analysis – only the statutory limitation that the fees charged under SB 1100 be used directly in the implementation of the product stewardship program for batteries within CalRecycle. These fees, which according to Department of Toxic Substance Control (DTSC) estimates will be staggering, will increase the cost for household batteries for cash-strapped Californians and will raise the cost of life-saving technologies developed right here in California.

SB 1100 primarily targets alkaline batteries, which unlike rechargeable batteries have no established take-back program. DTSC estimated a total cost of between \$152 million to \$180 million for an alkaline take-back program in 2000. (Source: DTSC, R-97-08, dated December 19, 2000 – Table I on page 15.) Given the annual sales of 500 million alkaline batteries, the impact on the consumer would be \$.30 per alkaline battery (\$152 million divided by 500 million alkaline batteries) to \$.36 per alkaline battery (\$180 million divided by 500 million alkaline batteries.) These costs will be passed on to the consumer in the form of higher prices which would be between \$1.20 and \$1.44 per four pack or \$2.40 and \$2.88 per eight pack of batteries purchased.

Alkaline batteries, unlike rechargeable batteries, do not contain harmful chemicals such as mercury, cadmium, lead, etc. Indeed, the industry voluntarily removed mercury from alkaline batteries in the early 1990's. CHI is seriously concerned that this bill, which seeks to establish a product stewardship program for a product that

is not reusable and has no recycling facilities in California, will cause serious detriment to California patients who require medical devices for the treatment of serious maladies.

California's biomedical industry has researched and developed countless new products over the past several decades that help patients manage myriad serious and life-threatening diseases from home. Diabetes patients rely on glucose monitors; patients at risk for cardiac episodes can monitor blood pressure from home; and the emerging field of telemedicine allows for at-home diagnostics products to submit a constant set of patient data using medical devices with wireless internet technology.

SB 1100 places the life of the state's robust biomedical industry, which employs over 274,000 Californians with an average wage of \$75,000 per year, in the hands of CalRecycle, which does not have any type of expertise in the area of life sciences. Our member company products are heavily regulated by the FDA. In order for the FDA to uphold its stringent safety and efficacy standards, a huge amount of clinical data is submitted to assure the agency that a product, and the process of manufacturing that product, can be created in a way that guarantees the public will not be put at risk. Quality control procedures are extremely important to show consistency of the products in design as well as function. We are concerned that SB 1100 could have significant negative consequences on this product approval process. Any changes to the final composition of our products, including the batteries within the products, the package inserts, or labeling that details the requirements of this bill, could require re-approval from the FDA.

CHI and our members are committed to the promotion and use of environmentally responsible materials. While our companies continue to search for means to improve sustainability of all of our products, this bill harms companies who cannot easily alter the composition of their products due to the FDA approval process and unwisely diverts resources away from the innovation that has made our industry one of the greenest.

For all of the reasons stated above, we strongly oppose SB 1100. Please feel free to contact me with any questions or concerns at (916) 233-3497 or pizarro@chi.org to discuss further.

Sincerely,

A handwritten signature in black ink, appearing to read "Sandra Pizarro". The signature is fluid and cursive, with a long horizontal stroke at the end.

Sandra Pizarro
Vice President, State Government Affairs

cc: The Honorable Ellen Corbett
Members, Assembly Environmental Safety and Toxic Materials
Assembly Republican Caucus