



August 16, 2012

Honorable Herb J. Wesson, Jr.
Chair, Rules, Elections and Inter Governmental Relations Committee
John Ferraro Council Chamber, Room 340
200 North Spring Street
Los Angeles, CA 90012

RE: Agenda Item 8 – Consideration of Proposition 37

Dear Chairman Wesson,

On behalf of the California Grocers Association, I urge you to oppose Proposition 37. As you may be aware the initiative purports to be nothing more than a consumer right-to-know food labeling measure. Unfortunately, nothing could be farther from the truth and CGA's member companies are significantly concerned about the negative impacts Proposition 37 will have on businesses and consumers alike.

Proposition 37's requirement for labeling of GMO foods is sweeping in its application and would force labeling of any product that contains one of a number of ingredients, like soy, unless certified organic or non-GMO. In some cases, we are informed that there are no alternatives available in the marketplace that would be considered non-GMO for purposes of the labeling requirement. In addition, Proposition 37 would prohibit use of the term "natural" (or other words of similar import) on packaging, advertising, or in-store promotion of products that have been processed in any way. According to Proposition 37, processing includes things like pressing, drying, milling, freezing, etc... In other words, oranges could be called natural but orange juice could not. Peanuts could be called natural, but peanut butter could not.

Even if one agrees with the labeling premise of the initiative, the private right of action created by Proposition 37 should raise significant concerns. The initiative was drafted by a leading Proposition 65 plaintiff's attorney and goes beyond even that body of law with regard to the ability to file lawsuits and demand settlements. Growers, manufacturers, and retailers would all be subject to pernicious drive-by litigation that would increase costs, ultimately for consumers, and clog our courts. Between 2005 and 2010, businesses spent more than \$88 Million to settle some 1,200 Proposition 65 cases with businesses paying more than \$13 Million in 2010 alone. Over 57% of the 2010 dollars were paid out to attorneys. Our economy cannot afford to create additional litigation mills, yet that is precisely what Proposition 37 would do.

I urge you, and all of your colleagues to review Proposition 37 carefully and take into consideration the concerns of CGA and its member companies when deciding whether to weigh in on this initiative. Should you have any questions, please feel free to contact me directly.

Sincerely,

Sarah Paulson Sheehy
Director, Local Government Relations Southern California



Cc: Councilmember Tom LaBonge
Councilmember Jose Huizar
Erika Pulst, Legislative Assistant