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Agriculture Committee
February 11, 2014

[LB696 LB768 LB846]

The Committee on Agriculture met at 1:30 p.m. on Tuesday, February 11, 2014, in Room 2102 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB696, LB768, and LB846. Senators present: Ken Schilz, Chairperson; Norm Wallman, Vice Chairperson; Dave Bloomfield; Ernie Chambers; Tom Hansen; Burke Harr; Jerry Johnson; and Steve Lathrop. Senators absent: None.

SENATOR SCHILZ: Good afternoon, everyone, and welcome to the Agriculture Committee hearing. Today we have three bills on the agenda. But first, I'd like to introduce myself. I'm Ken Schilz. I represent District 47, from Ogallala, and I'll just let everyone, starting with Senator Harr, go ahead and introduce themselves.

SENATOR HARR: Thank you. I am Senator Burke Harr from Legislative District 8 in Omaha and this is my third year on the committee. (Laughter)

SENATOR LATHROP: Steve Lathrop, District 12, which is in Douglas County and...yeah, that's it. (Laughter) I was going to say something smart aleck about Senator Harr, but...

SENATOR JOHNSON: Jerry Johnson, District 23, Saunders, Butler, and Colfax Counties.

SENATOR WALLMAN: Norm Wallman, District 30, part of Lancaster and all of Gage.

SENATOR HANSEN: I'm Tom Hansen, District 42, which is the north half of Lincoln County and the south half of Lincoln County. (Laughter)

SENATOR CHAMBERS: I'm Ernie Chambers, citizen of the universe, man of the world. (Laughter)

SENATOR BLOOMFIELD: Dave Bloomfield, District 17, Wayne, Thurston, and Dakota Counties in northeast Nebraska.

SENATOR SCHILZ: And thank you, everyone. And also with us today on my right, we have Rick Leonard, who is the research analyst for the committee, and on my left is Jamaica Erwin, who is the committee clerk for the committee. And we have Colton here today as our page. How we'll do this today is, if you want to testify, please fill out a sheet that we've provided there. If you have copies of anything that you want handed out, we need ten of those copies. If you don't have ten copies, let our page know and he will go ahead and get those copies made for you. If you have a phone or anything, please make sure it's either on silent or vibrate. And if you do have to take a call during the hearing, we would appreciate it if you would take that call to the hallway so you don't

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bother anybody that's testifying. During testimony, we'd appreciate no outward signs of support or opposition to the bill, so keep your hand-clapping or your cheering to none, if you would. I guess with that...oh, yeah, today we will go ahead and use the lights. We'll have five minutes, so you'll have four minutes to introduce or to give your testimony, and then we'll turn on the yellow light and you'll have one minute left after that, and then when the red light comes on we would appreciate you tying up your testimony and wrapping it up. And if you go too long, I will ask you to stop; so I would appreciate that. And with that, our first bill on the agenda today is LB696, I believe. And with that, I think Senator Haar is here to open on that. Welcome, Senator Haar, to the Ag Committee.

SENATOR HAAR: (Exhibits 1, 1a, and 1b) Thank you very much, Chairman Schilz. I tried to tell the people I brought to the hearing what a serious committee this was and then I'll try to explain all the laughter later. (Laugh) I'm going to start with a fairly short introduction and maybe a little bit longer closing. The purpose of this bill is to protect children, especially during early fetal development. BPA, and you'll hear much more about this today, is a chemical found in plastics for which there are strong indicators that it's a toxin and may cause birth defects. This bill is designed to protect children and pregnant women who are most susceptible to BPA. Fundamentally, this bill will expand a ban on BPA and provide a right to know to all consumers so they may make a choice to protect their own health. One of the things you'll hear today, of course, is, you know, there's not 100 percent certainty about some of these things. What we're asking for is that parents have the right to know what's in the products they're buying and the containers containing those products. Currently, the U.S. Environmental Protection Agency bans BPA, which is Bisphenol A, in baby bottles, sippy cups, and baby formula containers. This legislation requires, starting January 1, 2015, it would ban BPA in any reusable food or beverage container. Starting January 1, 2016, it bans BPA in any food packaging marketed or intended for children, and then it prohibits replacing BPA with any other carcinogen or reproductive toxin. And then starting January 1, 2016, it would require all food packaging that contains BPA to display a label on the front of the package stating, this package contains Bisphenol A, a chemical that may harm fetal development which can leach into the food. Any person violating the law is subject to a \$10,000 fine enforced by Nebraska Department of Environmental Quality. I consider this a healthy babies bill and the right to know what's in the products you buy. [LB696]

SENATOR SCHILZ: Thank you, Senator Haar. Any questions? Senator Harr. [LB696]

SENATOR HARR: Have any other states outlawed BPA? [LB696]

SENATOR HAAR: Well, first of all, the EPA has banned it in the things that you see there. Then there are other states that have started to go down this road we're talking about. And the other thing is that some companies...one of the things this bill talks about, for example, is that you'd have to label because BPA is used in many can liners. And there are actually some companies now that are starting to do that. So really, the

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goal would be to join with other states that are going down this road, and eventually manufacturers will just say it's not worth using. [LB696]

SENATOR SCHILZ: Senator Bloomfield. [LB696]

SENATOR BLOOMFIELD: Thank you. [LB696]

SENATOR HAAR: Yes. [LB846]

SENATOR BLOOMFIELD: I'm just a little curious how this happened to end up in the Ag Committee instead of maybe Health and Human Services. [LB846]

SENATOR HAAR: Well, I was at first. The reason it's come to this committee is because this committee has the responsibility of labeling in containers, isn't that correct? And so we kind of went back and forth with, you know, Health and Human Services; but you have some of the expertise in this committee already dealing with that, so. [LB696]

SENATOR SCHILZ: Thank you. Any other questions? Senator Lathrop. [LB696]

SENATOR LATHROP: Can you tell me what...are these the plastic bottles people carry around all the time, the ones that they refill themselves? [LB696]

SENATOR HAAR: Yeah, okay. [LB696]

SENATOR LATHROP: Is it all of them? Can you describe what this looks like to me, the consumer? [LB696]

SENATOR HAAR: Well, you can't see it. I mean it's in the plastic... [LB696]

SENATOR LATHROP: No, but the water bottles you're talking about. Is that what we're talking about, water bottles, or...? [LB696]

SENATOR HAAR: Oh, this...for example, if you look at the EPA has banned baby bottle and sippy cups, those kinds of things, and if you're a sportsman of any kind, you probably have a water bottle and you notice that some of them now say BPA free, but many of them, if it doesn't have that label on, it may or may not have BPA in it. [LB696]

SENATOR LATHROP: But that's what it is, it's the hard plastic bottle that people fill with water and carry around? [LB696]

SENATOR HAAR: It's a chemical in that plastic, that's correct. [LB696]

SENATOR SCHILZ: Thank you, Senator Lathrop. Senator Bloomfield. [LB696]

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SENATOR BLOOMFIELD: Senator Haar, does...I know they did at one time, but isn't that put in also some milk bottles and some pop bottles and some of that stuff? [LB696]

SENATOR HAAR: Oh, yes. Yeah, it is. [LB696]

SENATOR BLOOMFIELD: So it's in...as I understand it anyway, it can be in bottles that you buy food in already; it's not just in these refillable containers, am I right? [LB696]

SENATOR HAAR: That's correct. And the thing that we're asking for labeling would be, it's used in many can liners. So some of the stuff you buy at the grocery store in a can, it may or may not have BPA in the lining of that can. And since there's this potential that it causes birth defects and so on, parents should be able to know whether the can that they're buying their food in contains BPA, because BPA is known to leach into...is to leach out of liners, leach out of the plastic. And I think we'll hear this later that it's ubiquitous. We all, pretty much, if we would have a blood test would have some BPA in our bloodstream. [LB696]

SENATOR BLOOMFIELD: And again, if I'm not mistaken, and maybe there are people behind you and maybe you know, doesn't this have a breakdown period where it gets worse as it gets older? [LB696]

SENATOR HAAR: Actually my understanding is that with BPA, the body breaks...okay, two things. [LB696]

SENATOR BLOOMFIELD: No, I mean the bottle itself, yeah. [LB696]

SENATOR HAAR: Oh, in the product itself. That I'm not aware of. [LB696]

SENATOR BLOOMFIELD: Okay. [LB696]

SENATOR HAAR: In the body it breaks down fairly quickly, but...and so we excrete it on a regular basis; but if we were tested, we'd all have it in our bloodstream. [LB696]

SENATOR BLOOMFIELD: Okay. Thank you. [LB696]

SENATOR HAAR: Yes. [LB846]

SENATOR SCHILZ: Thank you. Senator Hansen. [LB696]

SENATOR HANSEN: One quick question. Thank you, Senator Haar. What about plastic milk bottles, plastic...not plastic, cardboard that also has a liner in them, something in the liner? [LB696]

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SENATOR HAAR: Yeah, good question. I'm not aware of that. Again my understanding from a chemical standpoint, that BPA is added to plastics to give it elasticity. So, you know, it's added to some plastic things to make them more plastic, more pliable. I don't know if that's the purpose in the thing you're talking about like when I buy milk... [LB696]

SENATOR HANSEN: There's some liner in it, but I don't know what it is. [LB696]

SENATOR HAAR: Yeah, yeah. [LB696]

SENATOR SCHILZ: Thank you, Senator Hansen. Any other questions for Senator Haar? Senator Haar, thank you. Will you stay around to close? [LB696]

SENATOR HAAR: Yeah, I will. And just one further comment on that. One of the things about this bill, it's a right to know. So, I mean, you ask a really good question: where does this stuff show up? And my bill would say, at least in terms of cans of food that you buy, you'd be able to know if that's in the can liner or not; because right now, who knows. Thank you very much. [LB696]

SENATOR SCHILZ: Thank you, sir. At this time we'll begin with proponent testimony, so anybody in favor of LB696 please come forward. Good afternoon. [LB696]

STACEY SKOLD: Good afternoon. My name is Stacey Skold. I'm originally from Lincoln. I've worked at the university. [LB696]

SENATOR SCHILZ: Ma'am, I don't mean to stop you and I forgot to say this, but if you would, could you please state and spell your name for the record, please. [LB696]

STACEY SKOLD: Absolutely. Stacey, S-t-a-c-e-y, Skold, S-k-o-l-d. [LB696]

SENATOR SCHILZ: Go ahead. Thank you. [LB696]

STACEY SKOLD: I'm originally from Lincoln. I've worked at the university and I'm currently a Ph.D. student researching flame retardants in the textile industry; but, most importantly, I'm here as a parent and as a very concerned parent. After moving from Chicago to Lincoln, my husband and I had our first child in 2004. The experience transformed our lives in countless ways, some expected and some unexpected. At that time BPA and other chemicals were very far from our minds. Like all parents, we wanted to have a healthy baby and made the decision to breastfeed our child months before she was born. Ultimately, the pumping became our primary means of providing her nourishment, and I did this every three to four hours a day and night, and stored the milk in Evenflo bottles. We did this for 14 months and began to see our daughter facing challenges: her growth, her breathing, her eating, her digestion, her walking and her

talking. She even had trouble recovering from a cold. Before she was two, we had experienced hospital visits and were giving her breathing treatments on a regular basis. Life with an infant and toddler is full of challenges, but these were issues we could not fully explain nor ones we or the doctors could fix. During this time I began researching our situation, and to my surprise what consistently presented itself was her endocrine system and how pervasive endocrine disruptors or hormone disruptors were in our world. The endocrine system or hormone system regulates all biological processes in the body from conception through adulthood and includes the brain, nervous system, reproductive system, metabolism, and blood sugar levels. The female ovaries, male testes, pituitary thyroid, and adrenal glands are all hormone glands. BPA, phthalates, and flame retardants are considered the three of the most pervasive endocrine disruptors today. BPA was first used in the 1930s as a synthetic estrogen and is found today in hard plastics, as Senator Haar mentioned, in food containers, cups, and in toys, epoxy resins or linings in cans, and related flame retardants are used to treat mattresses, baby and toddler sleepwear, among other things. Approximately six pounds of BPA are produced for every American each year. With a little more digging, I soon learned that the Evenflo bottles I used for the breast milk contained BPA, as did some of her pacifiers and numerous toys that she often put in her mouth. In addition, her new mattress, bedding, and sleepwear were treated with flame retardants. It was hard to think of something in her world that did not contain endocrine disruptors. Upon further reflection, I also realized that my water bottle I drank from during work was more than likely made from polycarbonate BPA plastic, thus contributing to her prenatal exposure. It seemed that what we spent a lot of time doing to help nurture our daughter could be contributing to her health problems. Not only was she suffering but this realization impacted our confidence as parents and consumers, and took a toll on our family. We were fighting a war with this invisible enemy. As a result, I quit my job early in 2005 and began focusing on her health and creating a safe home environment full time. This meant changing what we bought, where we shopped, what we ate, how we prepared it. I researched her toys, clothes, and food and containers. Our kitchen had charts identifying the different plastic codes so that I could attempt to identify what our objects were made from...our food objects were made from. Granted, BPA labeling has improved since then and the Food and Drug Administration has recently banned BPA in baby bottles and sippy cups. But even with these changes, BPA and phthalates are still ever-present in food and beverage cans, utensils, water bottles, thermal copy paper, and some dental sealants. While our daughter now has fewer visits to the doctor, her health is still a big issue in our family. She is on thyroid medication, uses two inhalers, and deals with severe asthma, an illness that grew by 28 percent from 2001 to 2011, so says the CDC. In addition, she began experiencing early puberty close to her ninth birthday. A New York Times article from 2012 addressed puberty starting before the age of ten as the new normal, with girls starting as early as six years old. I now have a ten-year-old who wears a training bra and plays with her animal and farm toys. This gap between her physical and mental and emotional maturity has been confusing for her and has impacted her self-esteem. In a sense, she and her family have been robbed of

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a portion of her childhood. [LB696]

SENATOR SCHILZ: Ma'am, could I ask you to sum it up, please. Thank you. [LB696]

STACEY SKOLD: Other health issues, diabetes, breast cancer, prostate cancer, and fertility have been on the rise. Low-level exposures considered harmful especially for pregnant women, and the effects are permanent at this stage for the child. Also, these effects are expressed in multiple generations. Limiting BPA is not only better for our health, but there is evidence that it could provide economic benefits. This does give me hope, but I am still angry, sad, and very concerned, not only about my daughter's health, her future health, her potential children's health, but actually for the human race. [LB696]

SENATOR SCHILZ: Excuse me, ma'am. Ma'am, I'm sorry. Ma'am, thank you very much. We appreciate it. Any questions? [LB696]

STACEY SKOLD: Thank you. Thank you for this opportunity. [LB696]

SENATOR SCHILZ: Yeah, hold on, one second. Any questions? Senator Johnson. [LB696]

SENATOR JOHNSON: The doctors' reports, are all of these related to BPA, all these illnesses, or is there something else that might have happened in her...your daughter's childhood that might have been here anyway? [LB696]

STACEY SKOLD: Certainly. There could have been other things contributing, absolutely. I do believe that, for instance, she was born early, but the more immature your system is the larger impact these chemicals can have on your system. For instance, she had to go under...had high liver enzymes, and if your liver is not functioning well, you cannot process...it's an added barrier to processing these chemicals. So I think it's a cumulative effect and it's compounded by other issues, other health issues today. [LB696]

SENATOR JOHNSON: Thank you. [LB696]

SENATOR SCHILZ: Any other questions for Ms. Skold? [LB696]

SENATOR LATHROP: Just, may I... [LB696]

SENATOR SCHILZ: Yes, Senator Lathrop. [LB696]

SENATOR LATHROP: This reminds me a little bit of the thimerosal, you know, and the cell phones and whether they're causing brain cancer. It sounds like there's a concern,

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but if we...and you strike me as a scientist of some sort, you're studying for your Ph.D., so I'll ask you this question because it sounds like you've researched it. Where are we at in the evolution and knowledge in terms of relating these disorders that you've described to this particular chemical? [LB696]

STACEY SKOLD: That was the section I skipped. (Laugh) [LB696]

SENATOR LATHROP: Well, don't read it, just tell me what your opinion is. [LB696]

STACEY SKOLD: There are hundreds of animal studies and there are some human studies now developing, more and more of them, but literally hundreds of animal studies. [LB696]

SENATOR LATHROP: So are they conclusive? [LB696]

STACEY SKOLD: I would...based on my reading, yes. These sources such as the Green Science Policy Institute, studies in reproductive toxicology is one source, endocrinology is another source, medical journals. [LB696]

SENATOR LATHROP: And so they've done these...they've followed...they've had a control group and a...however, they do scientific testing. [LB696]

STACEY SKOLD: I think if they made it into these journals, they're pretty solid. But I do know for a fact that there are many, many more animal studies than human studies; but frankly, they say it's a challenge to do human studies given the fact that we all have BPA in ourselves at some level. There's books out now, for instance, Slow Death by Rubber Duck, in which the authors intentionally ingested this and monitored levels and did these experiments. [LB696]

SENATOR LATHROP: So you've looked at the literature. What's the degree of confidence? Is there a 100 percent correlation, or they've done the studies and they see that perhaps there's a correlation but we're not sure? [LB696]

STACEY SKOLD: Well, it depends how you interpret mammals. I mean if they're doing studies on mammals, that could be up for interpretation. A lot of people consider many mammals to have systems quite similar to human systems. And from my experience, if you see a tendency in numerous animals, especially mammals, then there's a strong likelihood that can also be taking place in humans. [LB696]

SENATOR LATHROP: What you've concluded, though, is there's enough of a concern that you're taking your family off of the products that have this chemical, but the authors of the studies have not concluded that there is a direct correlation. [LB696]

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STACEY SKOLD: Well, I would have to read each study. I mean, I can't say...make that broad of a generalization. [LB696]

SENATOR LATHROP: Okay. No, that's all right. I thought you'd be able to sort of tell me what the...some of the studies are, but that's...I'm sure we'll hear from other folks. Thank you. [LB696]

STACEY SKOLD: Thank you. [LB696]

SENATOR SCHILZ: Senator Hansen. [LB696]

SENATOR HANSEN: Thank you for coming in today. I asked Senator Haar about plastic...not plastic, but cardboard containers, because our milk comes in cardboard, orange juice comes in cardboard. Is there anything in that lining? [LB696]

STACEY SKOLD: My understanding is that those are different, that the lining in the cardboard containers is different; but that's my understanding at this point. It's really focused on the hard plastics. And then also, the phthalates are actually the soft plastics, but these plasticizers are the heavy-hitter endocrine disruptors. [LB696]

SENATOR HANSEN: And then you also said that it's a...it's used in fire retardant, infant clothes and blankets... [LB696]

STACEY SKOLD: It's related...BPA is related and is one of the many flame retardants that are used. [LB696]

SENATOR HANSEN: Are they listed on that little tag that's on the blanket? [LB696]

STACEY SKOLD: Sometimes it's labeled, sometimes it's...the labeling thing, yeah. [LB696]

SENATOR HANSEN: Contains. [LB846]

STACEY SKOLD: Yeah. [LB846]

SENATOR HANSEN: Okay. Is it a warning label or is it just "contains"? [LB696]

STACEY SKOLD: It's usually identifying that they are flame retardant, and some may consider that protective and some may consider that a neurotoxin, so. And that may...it depends, your interpretation, I guess. [LB696]

SENATOR HANSEN: Okay. Thank you. [LB696]

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SENATOR SCHILZ: Any other questions for Ms. Skold? Seeing none, thank you very much for your testimony. Appreciate that. [LB696]

STACEY SKOLD: Thank you very much. [LB696]

SENATOR SCHILZ: Next testifier as a proponent. Good afternoon. [LB696]

BOB RAUNER: Good afternoon. I'm Dr. Bob Rauner, and Bob is spelled B-o-b, Rauner, R-a-u-n-e-r. I'm testifying on behalf of the Nebraska Medical Association on the public health side of things. Some of the things I'll address is some of the questions Senator Lathrop just had about the levels of evidence because that's really kind of what we're arguing about. Basically what happens is BPA, it's in a continuum of "Is it a risk to? Is it rock solid?" It's in the middle of that right now. And I think it helps to understand how that develops over time. When you're trying to say, does this cause something, you look at a number of factors. And we've got a number of those already answered, but we don't have it rock solid yet. So one way to think of it is, I might, you know, bet fifty bucks as long as I know it's better than a 50-50 bet, but when it's betting the health of my child, it's going to be...you have to have a lot better than 50-50. And so, sometimes when you decide this is a problem or not, it's not a continuum. There's a threshold where you reach we have to say, well, it's enough right now. What BPA is, it's used in plastic bottles, various things, polycarbonate bottles to change the pliability as mentioned. The other downside, though, is it happens to affect estrogen stimulation. So if you give it to you, it will stimulate estrogen in your body and it will actually antagonize testosterone. That's a problem in infant development because that has to do with why some embryos become boys and some become girls. So if you're exposed to something like that in utero, that's a problem for birth defects. And that's where most linkages are showing, are endocrine issues like it's been associated with higher rates of miscarriages; higher rates of infertility; in men, higher rates of erectile dysfunction; in children, some behavioral issues. As you know, hormones play a way in children's behavior. If you have teenagers you know that. So the problem is the biologic plausibility is there. We know the mechanism. We know it exists. Where the controversy is, is what is a normal...a tolerable dose, and that's where the controversy is. If I give it to you, it will cause problems if it's above a certain dose. The problem is the dose they set may be wrong and that's what the debate is. And so that's why the FDA has already banned it in polycarbonate bottles that are used for infant formula and breast milk storage, because they know it's enough of a concern that it's already been banned. The question is, do we go a step further? Do we take it out of your plastic water bottles, the plasticized liner of your SpaghettiOs, things like that? And the question is also at age, because the dose for me is going to be quite higher than a little child. And so that's why the start is with infants first, and then you're starting to see a progression now. As the strength of the evidence gets harder, ahh, it's getting to the point where you need to start limiting some of these things. And so that's kind of where the science is right now. And so the article that was handed out I think by Senator Haar's testimony, is this article. That's a review

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article. It's not one article. It's a summation of 91 articles now. So as things keep going along it's getting more and more solid. So when the FDA, I think it was in 2011, banned it from polycarbonate bottles, of course, we in our family got rid of all of those things because we had little kids. We didn't want those around. The question is, is it to the point where it's enough to start banning it from other areas as well? And so there are places it's used. For plastic bottles, if you look in the bottom there's that little triangle and there's a number; 3's and 7's are the ones more likely to have BPA. But there's right now no labeling except for people who have voluntarily put the labeling on there. So you can probably look at that bottle and see and that might question whether you're going to go with the glass bottle next time. Who knows. [LB696]

SENATOR LATHROP: Can you read it? (Laughter) [LB696]

BOB RAUNER: So any clear labeling would be better than we are now, so. Senator Bloomfield, you asked about does it break down? The issue is actually, as the bottles break down, when they crack then they could release more BPA. So they're telling you, if it's any reusable container you use to store stuff in the fridge and it might have BPA, you'd better get rid of it if it's cracked. And then it's especially worse when it's put in the microwave, because when you reheat it that will also release stuff. Kind of like up until not too long ago, surprisingly, you could have some lead pipes in your house and a scale would form, and you would be okay as long as nobody bumped the pipe. Then when we got our new house and when we remodeled, we found we had one. And boy, we got rid of that because sometimes you're moving stuff in the basement you bump the pipe, here's lead in your water. That's kind of the same issue with BPA essentially, so. So I guess to summarize, one, I think we're already at the point where we're past the 50-50 bet, and with kids you don't want to take a 50-50 bet. Second, the other thing is I think it's a matter of consumer choice. I want to know. I don't want to have to go looking after every little bottle, after every little can to trying to figure that out. If you're going to take the risk at least make it out there so consumers can look and see, oh, its got BPA, I'll choose not to buy it. Maybe it's going to cost five more cents for my SpaghettiOs, but I don't want to take the BPA risk. So I think that's a consumer choice issue. I think it definitely should be labeled because there's enough of a concern already, so. So I'll leave it at there, and then go with any questions if you have them. [LB696]

SENATOR SCHILZ: Thank you, sir. Appreciate that. Any questions? Senator Bloomfield. [LB696]

SENATOR BLOOMFIELD: Thank you. Yeah, I have got several just to what containers might have it. We look around and we see these water coolers with a five gallon plastic jug on top of them. Are they liable to have that in them? [LB696]

BOB RAUNER: Well, that's the problem is you don't know. [LB696]

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SENATOR BLOOMFIELD: You don't know. [LB846]

BOB RAUNER: And so it's really hard. Like she was saying, trying to create this massive chart; no consumer can do that. That's why you have the clear labeling. [LB846]

SENATOR BLOOMFIELD: I know a lot of people take milk jugs and take them to the grocery store and fill them up with water. [LB696]

BOB RAUNER: I'm pretty sure those are okay. If I remember right, those are 2's, not 3's and 7's; but again. [LB696]

SENATOR BLOOMFIELD: Okay. Then the other one that comes to mind is the Cool Whip container that virtually every house I know saves some of them to put leftovers in the freezer. [LB696]

BOB RAUNER: I'm going to guess it's a 5 or a 6, but I couldn't tell you, so. [LB696]

SENATOR BLOOMFIELD: Okay, I'll take a look. [LB696]

BOB RAUNER: Yeah. But that's where I think it gets down...the FDA has its...they already have on their recommendations on their Web site. Don't microwave if it's a polycarbonate or plastic container; 3 and 7 might be there; reduce use of canned foods and switch to maybe frozen if you're worried about it. So if you have young children that might be something you'd want to be concerned of. Opt for glass, porcelain, or steel food containers, which we've done in our house; And then the BPA-free baby bottles, of course. [LB696]

SENATOR BLOOMFIELD: Most frozen food comes in plastic bags. Are they an issue? [LB696]

BOB RAUNER: I don't think so. I think mostly it's those certain plastic reusable bottles and the canned food, actually, because there's...although the can is made out of tin or steel or whatever, the liner is what is the...where it's at, so. [LB696]

SENATOR BLOOMFIELD: Okay. Thank you. [LB696]

SENATOR SCHILZ: Senator Lathrop. [LB696]

SENATOR LATHROP: Just quickly. I missed, you're a doctor? [LB696]

BOB RAUNER: Yes. [LB696]

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SENATOR LATHROP: A medical doctor? [LB696]

BOB RAUNER: Yeah, I'm a physician. Yeah, a medical doctor. And I also have a graduate degree in public health, so that's why I end up doing the public health bills. [LB696]

SENATOR LATHROP: I'm sorry, I didn't catch it. [LB696]

BOB RAUNER: I have a graduate degree in public health where we have toxicology and statistics and look through the studies. [LB696]

SENATOR LATHROP: And where do you work now? [LB696]

BOB RAUNER: I work...well, I have two jobs. One is a nonprofit in Lincoln where I work on child health and obesity, fitness issues like that, and that's my public health job. And I have a for-profit job where I work with health systems across the clinic. We have clinics from Bellevue to McCook, most in Quality Improvement clinics, so. [LB696]

SENATOR LATHROP: Okay. Thanks for coming in today. [LB696]

SENATOR SCHILZ: Very good. Thank you, Senator Lathrop. Any other questions for the doctor? Seeing none, thank you for your testimony. [LB696]

BOB RAUNER: Okay. All right, thanks. [LB696]

SENATOR SCHILZ: Further proponents. Good afternoon. Welcome. [LB696]

APRIL SEGURA: (Exhibit 2) Good afternoon. My name is April Segura, A-p-r-i-l S-e-g-u-r-a. I'm a mother of three children, as well as an active community member. I'm here today to express my support in legislation LB696. As a mother who tries to provide the best for her children, especially in areas of health, this bill especially interests me. I firmly believe that the less exposure we have to dangerous chemicals the better off our health. This is why I support this legislation. The EPA is coming under increasing scrutiny by the FDA and the Department of Health and Human Services in the United States. It is known that this chemical has been used in many classic epoxies and resins since the 1960s. Moreover, this chemical has been shown to leach into the foods which contact these surfaces, especially when exposed to heat. In fact, our diet is the primary source for BPA, which in 2003 was detected in the urine of 93 percent of Americans over the age of six, according to the Centers for Disease Control. During the past ten years, the government and academic institutions have poured millions into research which has confirmed that the chemical can have effects on the health of fetuses and newborns. Since 2012, the FDA has recommended that the use of BPA be eliminated from baby bottles and sippy cups. More information on the harmful effects of BPA

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comes from the National Institute of Environmental Health Sciences, where toxicology studies have positively identified BPA as a health concern for infants and children, who demonstrated effects on the brain, behavior, maturation, and reproduction function. When it comes to the health of our children and families, I do not believe we should take risks. Consumers should know if products are made with this harmful chemical and, better yet, not allow them to be in the products in the first place. I applaud Senator Haar for bringing forth this bill and staying true with environmental issues that protect all of us. I realize that not all of the effects of BPA are even known, but why should we have our children be the lab rats in this? When there's another option when making products, as companies are already doing, we should be banning this chemical as quickly as we can. We do not want to come 20 years down the road and find out all these problems that our grown children have because of too much exposure to BPA. I urge you as a committee to move this legislation, LB696, out of committee and on to the main legislative floor for discussion. Our future depends on it. Thank you very much for your time and consideration of this bill. [LB696]

SENATOR SCHILZ: Thank you, ma'am. Any questions? Seeing none, thank you for your testimony. [LB696]

APRIL SEGURA: Thank you. [LB696]

SENATOR SCHILZ: Next proponent. Good afternoon. [LB696]

GUS PONSTINGL: Good afternoon, Senators. My name is Gus Ponstingl, G-u-s P-o-n-s-t-i-n-g-l, from Lincoln, Nebraska. I would like to state my support for LB696 labeling containers with BPA. My background is I have a bachelor's of biology from St. Louis University with an emphasis on human physiology and anatomy. I excelled in the pre-med program, being an honor student throughout that time. I was accepted into medical school at the University of Missouri-Columbia. Didn't go. I have managed a laboratory for a food company in St. Louis and am currently the president of a civil engineering firm in Lincoln, Nebraska. I've remained active in the study of nutrition, physiology, and science, and the effects of common industrial toxins; and I'm also the chapter president of the Lincoln Weston A. Price group, a group that is dedicated to pure food, fresh from farms with high vitamin content, and we actively teach people how to cure cavities with food. I have recently given a lecture on how the body detoxifies itself from the by-products of metabolism and the toxins inherent in food, and have a fairly deep understanding of this issue. I would like to state the following why it is probably a very good idea to avoid BPA. Dr. Frederick vom Saal, who published the seminal 1997 study indicating that low doses of BPA have estrogenic effects, his team's results have been replicated by many groups around the world, and as of March 2005 there were over 104 publications reporting in vivo estrogenic activity of BPA in animals and humans at doses lower than current reference doses of the U.S.A. of 50 micrograms, a kilogram per day. So 104 publications have reported in vivo estrogenic

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activity. He also points out that some prominent critics of BPA estrogen connection have longstanding ties with chemical corporations which cast suspicion on their motives. Secondly, there is a large body of research suggesting that BPA may have harmful effects above and beyond its estrogenic activity. In 2008, a review found an association between BPA and cardiovascular disease, diabetes, and elevated liver enzymes. In 2012, they found that maternal exposure to BPA decreases thyroid hormone levels in male babies at birth. In 2013, they demonstrated an association between postnatal urinary concentrations of BPA in asthma in children; and another study in 2013 found a relationship between urinary BPA concentrations in childhood behavioral and learning development. I am a father of four...or three and a half kids; I've got one on the way, and I personally avoid it when I can figure out where it's at. And I can't tell you where it's at because it's not labeled, and it would be really nice to have that available to me so that I can do that. I'm very interested in having the BPA labeled on anything that contains them, so please consider supporting this bill. [LB696]

SENATOR SCHILZ: Thank you, Mr. Ponstingl. Any questions? Senator Johnson. [LB696]

SENATOR JOHNSON: Are you aware of any other places other than the plastic, the harder plastic bottles, that this would be used in any other type of construction or any other type of material? [LB696]

GUS PONSTINGL: Well, my guess is, it is; but without labels, I can't tell. And that's kind of the point of having labels is how do you know if it's not labeled, so. [LB696]

SENATOR JOHNSON: So we...I mean, we're talking about containers here, but is there something out there in the building industry, or...? [LB696]

GUS PONSTINGL: My background is...yeah, my background in the building industry indicates there are a lot of things in the materials that are being used that are probably harmful, in addition to something like BPA, but there's not a lot of labeling going on there as well. But that's a whole another can of worms. (Laugh) [LB696]

SENATOR JOHNSON: But you don't know about BPA in building, okay. [LB696]

GUS PONSTINGL: Yeah, I don't know. [LB696]

SENATOR JOHNSON: Thank you. [LB696]

SENATOR SCHILZ: Thank you, Senator Johnson. Any other questions? Sir, thank you for your testimony. Appreciate it. [LB696]

GUS PONSTINGL: Thank you for your time. [LB696]

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SENATOR SCHILZ: Next testifier, please. Good afternoon. [LB696]

RODNEY VLCEK: Good afternoon, Senator Schilz, members of the Agriculture Committee. My name is Rodney D. Vlcek, spelled R-o-d-n-e-y, middle initial D, V-l-c-e-k, and I'm the president and secretary-treasurer of the Nebraska State AFL-CIO. I'm here to offer testimony in support of LB696, restricting the use of Bisphenol A and requiring labeling of all food products that continue its use in packaging. The Nebraska State AFL-CIO supports this legislation for two major reasons. First, this is good public health policy to eliminate harmful chemicals from everyday products and reduce the exposure of our children and families to these chemicals. Not only does LB696 affect BPA, a known carcinogen, but it also restricts replacement chemicals that could have similar, harmful health effects. We believe that Nebraskans have a right to know what chemicals they may be exposed to and there is compelling interest for the state to protect our children from this exposure. Second, it is workers who are always the first ones to face dangerous exposure to harmful chemicals in the production process. We have always fought toxic trading, encouragement the enforcement of the highest health standards on products produced and distributed in the United States. There's a history of support from other labor organizations for this type of legislation, specifically in Maine and Connecticut. We join our fellow state labor federations in advocating for meaningful regulations of BPA. And I'd be happy to answer any questions, if I can. [LB696]

SENATOR SCHILZ: Thank you, sir. Any questions? Seeing none, thank you very much for your testimony. [LB696]

RODNEY VLCEK: Thank you. [LB696]

SENATOR SCHILZ: Next proponent. Welcome, Ken. [LB696]

KEN WINSTON: Good afternoon, Chairman Schilz and members of the Agriculture Committee. My name is Kenneth Winston, K-e-n-n-e-t-h W-i-n-s-t-o-n, appearing on behalf of the Nebraska Sierra Club. The Nebraska Sierra Club supports LB696 both as an ethical obligation to protect children who are the most vulnerable members of our society. We also support it as a practical matter because harm to developing infants and small children adds massive cost to society over the course of their lives including the cost of healthcare and cost to our educational system. It can also have impacts on the lost income as a result of impacts to children if they do not develop appropriately. So we would ask that LB696 be advanced. [LB696]

SENATOR SCHILZ: Thank you very much for your testimony. Any questions for Mr. Winston? Seeing none, thank you. [LB696]

KEN WINSTON: Thank you. [LB696]

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SENATOR SCHILZ: (Exhibits 3 and 4) Next proponent. Proponents? Seeing no more proponents, I have a couple of letters here. One is from Jeanne Rizzo, president and CEO of the Breast Cancer Fund in support; and from Frederick S. vom Saal, Ph.D., also in support of this bill. At this point, we'll move to opposition. Is anyone here to testify in opposition? [LB696]

MICK MINES: (Exhibits 5 and 5a) Mr. Chairman and members of the committee, for the record, my name is Mick Mines, M-i-c-k M-i-n-e-s. I'm a registered lobbyist today appearing on behalf of the Nebraska Grocery Industry Association. I'm going to ask the page to hand out information that, in addition to my testimony, that is completely different than what you've just heard, and from a grocer's perspective all too important. As you know, LB696 seeks to protect children 12 years of age and under from potential health hazards. And based on research that I'm going to hand out to you, BPA in products is not toxic even to children; so this bill won't achieve its intended purposes and may mislead consumers. I will be handing out the American Chemistry Council findings. And clearly, thousands of studies have been conducted on BPA in humans, laboratory animals, and other laboratory settings. Leading regulatory bodies around the world, including the United States EPA, the FDA, Health Canada, and European Food Safety Authority have evaluated these studies. These leading agencies have all concluded that, and I quote from the FDA: The scientific evidence at this time does not suggest that the very low levels of human exposure to BPA through the diet is unsafe. There are two reasons for it. BPA is not toxic, according to the council, in laboratory animals, unless they're exposed to extremely high doses. Second, humans are exposed to BPA at thousands of levels lower than these laboratory animals. To put it in perspective, a child would have to consume 214,286 servings of tuna, and an adult would have to consume a million servings of tuna every day to exceed the safe levels in animals. Even in canned foods with higher levels of BPA, like chicken soup, for instance, a child would have to consume 527 servings every day to exceed this safe level. Clearly this is beyond the realm of possibility. Ongoing studies funded by or being conducted by the EPA and FDA are underway to address BPA controversy. Thus far, these studies have indicated that there's little to no exposure to the fetus after its mother has ingested BPA, and that newborns are able to metabolize BPA just like adults. In addition, many studies have been scientifically designed to address what others have claimed are methodological deficiencies in previous studies showing no effects at low doses. These newer studies confirm the lack-of-effect findings from previous studies indicating there's no reproductive or developmental effects caused by low doses. Of note, in 2013, based on a major review of studies of 30,000 people in 19 countries, including women and infants, Dr. Justin Teeguarden at the Department of Energy, with participation from CDC and FDA, and funded by the EPA grant, recently reported that human blood levels of BPA are thousands of times lower than the levels you see in animals that cause biological effects. Labeling, from our perspective, from a grocer's perspective, labeling is a two-edged sword. The FDA has repeatedly affirmed that BPA

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is safe in foods and packaging, and there's no reason for Nebraska to mandate the nation's only BPA labeling regulation. We'd be the only state. BPA warning labels would convey a threat to human health that is unsupported by appropriate and sound scientific evidence and is not supported by the conclusions about the safety of BPA drawn by the FDA and federal and international public health agencies and bodies. We strongly oppose LB696 as the weight of the scientific evidence does not support the need for this legislation. Thank you. [LB696]

SENATOR SCHILZ: Thank you, Mr. Mines. Any questions for Mr. Mines? Senator Johnson. [LB696]

SENATOR JOHNSON: You commented on the tuna. Is it in the tuna or in the can? [LB696]

MICK MINES: In the can. [LB696]

SENATOR JOHNSON: Okay. And another product, and I forget what it was, 500 and some servings a day. [LB696]

MICK MINES: Chicken soup. [LB696]

SENATOR JOHNSON: Chicken soup. Okay. You didn't address plastics. [LB696]

MICK MINES: In effect...and I'm certainly not a doctor or a research analyst or anything. Based on the information that we've received from associations, including the National Chemistry Association, they didn't talk about plastics, plastic bags, plastic bottles. They simply talked about the amount and the level of BPA, and that the amount ingested by the average person every day is ingested and it doesn't present a problem. And labeling the cans and packaging would send a signal that...first of all, we'd be the only state that does it, and to coordinate with manufacturers, suppliers, to bring products into Nebraska would be problematic; packaging would be problematic for manufacturers to just deliver that to one state. So we don't believe at this time...there's no evidence that would further require any kind of labeling. [LB696]

SENATOR JOHNSON: Thank you. [LB696]

SENATOR SCHILZ: Any other questions? Mr. Mines, one question that I have. Do you, and maybe you know and maybe you don't, and maybe I know the answer already, but why do they use these liners in tin cans and things like that? [LB696]

MICK MINES: I'm sorry, I don't know. I really don't know. [LB696]

SENATOR SCHILZ: Okay. Well, we can throw that out there and maybe somebody will

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be able to help us out. [LB696]

MICK MINES: Yeah, I don't know. Sorry. [LB696]

SENATOR SCHILZ: Okay. Thank you, sir. Any other questions for Mr. Mines? Seeing none, thank you very much. [LB696]

MICK MINES: Thanks. [LB696]

SENATOR SCHILZ: Further opposition testimony. Welcome, Mr. Lindsay. [LB696]

JOHN LINDSAY: Senator Schilz, members of the committee, for the record, my name is John Lindsay, L-i-n-d-s-a-y, appearing today on behalf of the Nebraska Beverage Association. We'd concur with the testimony of Mr. Mines on behalf of the grocers. Touch a little bit on the studies just to emphasize that BPA is one of the most tested components out there. It's been subject to literally thousands of tests. It has been reviewed by regulatory agencies, not just in the United States but around the world, and approved for...concluding that there's no risk from BPA exposure, including the Food Standards Australia, New Zealand; United States Food and Drug Administration; Japanese Research Institute of Science for Safety and Sustainability; the European Food Safety Authority; Health Canada; the World Health Organization; California Developmental and Reproductive Toxicant Identification Committee; and the German Federal Institute for Risk Assessment, all of those studies having reviewed other studies and each of those have reached that conclusion in the last five years, since 2008. Adding on to what Mr. Mines talked about with respect to the amounts to reach the levels that are deemed unsafe in animals, (inaudible) and we represent the Beverage Association, it would take for an adult 1.4 million cans of soda a day to exceed those levels; it would take a child 300,000 cans per day to reach those levels. Senator, in answering a couple of questions, Senator Johnson you asked about the plastic bottles. And hopefully your mind doesn't go directly to the bottles used typically in soda. Those are PET, which is a chemical compound that, as a history major I'm not going to try to pronounce, those are...so they do not contain BPA, but their polycarbonate bottles would contain that. The concern from the beverage industry is in the cans that the liner of those cans, they're apparently two-part cans that include both the metal and the liner, that the product actually comes into contact with the liner. And to answer Senator Schilz's question, the purpose of that liner is...canning, of course, is one of the biggest innovations around to allow health or safe foods that can be preserved over periods of time. And as technologies evolved, the liners were used to protect, I believe, primarily from metal migration where the metal can does not migrate into the product that is included there. And that's the primary purpose is to provide a barrier between the can and the product. And with that, we would urge that the committee not advance the bill. [LB696]

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SENATOR SCHILZ: Thank you, Mr. Lindsay. Any questions for Mr. Lindsay? Seeing none, thank you for your testimony. Appreciate it. Next opponent, please. [LB696]

RON SEDLACEK: Chairman Schilz and members of the Agriculture Committee, for the record my name is Ron Sedlacek, last name is spelled S-e-d-l-a-c-e-k. I'm here on behalf of the Nebraska Chamber of Commerce. We have heard from a number of our, both instate and out-state, food processors from various organizations, associations throughout the country, asking us to weigh in on this particular bill. One thing I certainly can't discuss and that's the policy, the science policy. You don't hear it from my mouth very often, but I'm not confident to comment on this. And on that particular note, that's certainly a policy that you'd have to weigh as legislators. But what I'd like to point out is the policy that I'd also like you to take into account and that is individual labeling by a state, and feel that this is truly more of a national issue that if each and every state has one label or a different label or different verbiage and so forth, how does that affect commerce throughout the country. And from what we understand, it would not only be as mentioned, plastic containers, but also food liners in canning, also plastics that are used to store meat, some types of plastic bags in which foods are sold. And the question becomes, will there be a...how is that marketable to Nebraska, particularly from national processors; how are they going to decide how much is going to be produced for Nebraska alone? International products are another concern. The EU has not banned BPA from that regard. So we would just bring that to your attention to consider, and that's all of my testimony. [LB696]

SENATOR SCHILZ: (Exhibits 6-9) Thank you, Mr. Sedlacek. Any questions? Seeing none, thank you for your testimony. Appreciate it. Other opponents? Seeing none, we do have a few letters here. I have a letter from John Easter from the American Chemical Council in opposition; also have a letter from the International Bottled Water Association in opposition; as well as a letter from Kelsey A. Johnson, the Grocery Manufacturers Association; and the Can Manufacturers Institute in opposition to LB696. With that, do we have any neutral testimony on LB696? Seeing no neutral testimony, Senator Haar, you're welcome to close. [LB696]

SENATOR HAAR: (Exhibit 10) Well, in the letter from the Breast Cancer Association they said to expect key opposition from the American Chemistry Council--imagine that, the trade associations for the chemical industry, the North American Metal Packaging Association, trade associations, grocers, manufacturers, and so on; so I'm not surprised. I want to spend a little bit of time because the science behind this is really important. It's really important. By the way, I have another handout here. Somebody...and this is my mistake, they sent it to our office and we just didn't get it handed out. By the way, this letter is from David Corbin testifying for the American Public Health Association; and remember, we had the Nebraska Medical Association, both of those organizations testifying for this bill. This...and I handed this out. This is a good handout. This is from the Breast Cancer Fund and called "Disrupted Development:

The Dangers of Prenatal BPA Exposure." And frankly, I'm not so worried about adults. I am more worried about the children. And here's...and again this is from the Breast Cancer Fund and this is what they're saying: Until we see decisive governmental action to protect women from BPA exposure, reproductive health practitioners should integrate this into their counseling for women. Now it's true that you may have to drink I don't know how many cans of pop or whatever to get this, but it's also known scientifically that BPA tends to concentrate in that part of the reproductive cycle early in the development of a fetus. So this is what they're saying: Ask questions about BPA on patient intake forms; ask the patients about how much canned food they're eating. This is the advice, they're saying, give to expectant mothers. And my concern is healthy babies. Provide guidance on reducing exposure to BPA. Use glass, ceramic, and stainless steel food containers and water bottles; avoid canned foods, and so on. So, you know, more and more, we're seeing the concern of health professionals, especially for pregnant women. And then I want to tell you about one of the experiments here on BPA. At least 48 relevant experiments document the link between prenatal BPA exposure in later life health problems. Sixteen of these studies administered BPA orally to the mother at doses significantly lower than the EPA's self dose. The main outcomes included negative effects on memory gland development in females, and on prostate and other reproductive organ development in males, and changes to brain physiology and behavior in both males and females. Oh, by the way, this is animal experiments, okay? We can't do these kind of experiments on people. You can't find, you can't, for example, go to April and say, April, could we use your pregnancy; we want to do some testing and we're going to give you this high level of BPA; and then, Stacey, we're going to give you a much lower level. That's unethical. So the gold standard of testing...you'll hear again and again from the chemical industry, well, there are no definitive studies. Well, folks, the gold standard, the double-blind studies that we consider the gold standards, it's unethical to do that on this kind of thing. You can't say, you know, we're going to feed you something that's...well, in a double-blind study, you don't know if you're getting the bad stuff or not. So, you know, who is going to enroll in a study saying, you might get something that's going to harm your fetus and you might not, but it's really important we do this study. You can't do that. It's unethical. So when you talk about definitive studies, no, they don't exist. But what I hear from parents, and one of the reasons I'm into this is because parents want to be able to make that choice. There's enough information out there now to know that this may be harmful, especially to fetal development. And parents have a right to know. The question that was asked quite a bit to me and other people is, is it in this, is it in this, is it in this? Well, we don't know because stuff isn't labeled. I think people have a right to know. And frankly, if the grocers don't want to put it on their shelves, that's a choice that can be made too by consumers; consumers, especially I would think in this case, families that are having children or expecting to have children are going to be able to make. Without labels we can't tell. Somebody said, it's the health of my children, I should have the right to know. So, I'm sorry if it's an inconvenience for grocers, I'm really sorry about that, but I think people have the right to know. Again, if you notice, the people who testified against this,

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like the Nebraska Grocery Industry--I can understand their opposition; Nebraska Chamber of Commerce; someone said they were talking for the American Chemical Society. But testifying for this bill was the Nebraska Medical Association; and then the thing I just handed out from the American Public Health Association. So I would say it's more important to listen to them than it is to hear the concerns of, gee, it might hurt commerce. Well, let consumers make that decision. You know, it might be a little more difficult for grocers. Let consumers make that decision. We're not the first states to have these kinds of things in place. We would be the first state to require labeling of cans. That would be a first, but there are 12 other states who have various bans, and although it said everybody's tested this, you know, and when we heard from the chemical association and so on, oh, there are never any negative results. Again, I think you have to remember who financed that work. The EPA has said, they said, no government agency...and there are agencies in Europe now that are starting to ban the BPAs. It's very interesting as I've gotten into this whole field that, generally in Europe, and many parts of the world, the idea is, you have to show something safe before you can put it in food or food products; and the United States is, you have to show it's harmful before you take it out. And parents are aware of that. The people you've heard testify today are aware of that. Parents have a right to know. People have a right to choose and let commerce then take its course. A lot of people won't care, but some people do and they have the right to choose. So I would appreciate your careful consideration of this bill, and I'm more than willing to answer any questions you might have. [LB696]

SENATOR SCHILZ: (See also Exhibit 11) Thank you, Senator Haar. Any questions for Senator Haar? Seeing none, thank you for introducing the bill. [LB696]

SENATOR HAAR: Okay. Thanks so much. [LB696]

SENATOR SCHILZ: And that will end the hearing on LB696. I'll turn it over to the Vice Chair. We'll go ahead and take a little break right now before the next hearing gets going.

BREAK

SENATOR WALLMAN: Thank you. Senator Schilz.

SENATOR SCHILZ: Thank you, Senator Wallman and I will be introducing LB768 today. My name is Ken Schilz, spelled K-e-n S-c-h-i-l-z, and I represent District 47, and I'm introducing LB768 to respond to two issues raised in an attestation report of the State Auditor for the Nebraska Brand Committee issued on September 11 of last year. First, the Auditor noted a conflict in the statutory authority in 54-1,120 and 54-1,121.01 for the amount of fees collected in the registered feedlot and registered dairy programs. The Nebraska brand law provides an alternate means for feedlots and dairies inside the brand area to comply with the mandatory brand inspection. In lieu of physical brand

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inspection performed by brand inspectors at each incidence of cattle entering or exiting a feedlot, the brand law provides a voluntary registered feedlot and dairy program whereby participants follow a recordkeeping regimen and are subject to periodic audits. From the inception of the registered feedlot program, the brand law has provided for an annual registered feedlot inspection fee, calculated as a fee per one thousand head capacity to correspond to the per head inspection fee in 54-1,108. LB441 enacted in 2005 increased the statutory maximum per head inspection in 54-1,108 fee from 65 cents per head to 75 cents per head. Subsequent to enactment, the Brand Committee by rule increased the inspection fee to 70 cents per head beginning November 1, 2006. For the period beginning November 1, 2007 through the present, the Brand Committee has charged the current statutory maximum of 75 cents per head. Simultaneously, with these per head inspection fee increases, the Brand Committee set the registered feedlot and dairy fees at \$700 per one thousand head and \$750 per thousand. While the fee complied with the legislative intent and the statutory direction that the fee be set per thousand head capacity to correspond to the per head inspection fee set in 54-1,108, Section 54-1,120, but also establishes a statutory cap of \$650 per one thousand head. In other words when we increased the inspection fee in 2005, we should have inserted a harmonizing increase in the cap in the registered feedlot and dairy programs. Secondly, the Auditor questioned the authority for charges collected by the Brand Committee for brand inspections performed outside the brand area, specifically for inspections performed in conjunction with investigations into violations of the Nebraska brand law. While brand inspection is only mandatory in portions of the state, brand inspection services are available upon request statewide. Brand inspection is rarely performed outside the brand area; but, on occasion, inspection may be ordered by the court in civil or criminal proceedings or might be requested by the livestock lenders and investors. The bulk of inspections outside the brand area occur in conjunction with the Brand Committee following up on movements of cattle outside the brand area without inspection. And I will defer to Director Stanec to describe the committee's enforcement policy in greater detail; but in such cases, the committee has forgone prosecution if the violator agrees to inspection and the inspection does not find theft. It has been the practice of the committee to collect actual costs for inspections outside the brand area, including mileage and inspector time. The normal inspection fee of 75 cents per head would not typically cover the costs to the committee. To avoid nonbrand area producers being subsidized by brand area producers in supporting the inspection program, it has been generally understood that the cost of the inspection when the inspectors travel outside the brand area would be actual costs. In the case of inspections performed in conjunction with criminal prosecution, nonbrand area charges as calculated and made explicit by LB768 is consistent with charges that have been ordered paid to the Brand Committee by the courts. In both cases, the current practice is in line with the long-held understandings and are what is expected by the industry. LB768 would essentially insert express statutory authority for the fee policies that have been followed by the Brand Committee. Specifically, the bill amends 54-1,108 of the Nebraska brand law to provide that inspections provided outside the brand area, the Brand Committee shall

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collect in addition to the normal per head inspection fee, mileage and inspector time. While the audit of the Brand Committee only spoke to inspections performed as part of an investigation, LB768 would apply the formula for any brand inspection performed outside the brand area. Additionally, the bill simply deletes the statutory cap found on the registered feedlot and dairy section, leaving the instruction that the fee per thousand head be set to correspond to the per head inspection fee that exists. And anything about the change in calculation of registered feedlot or dairy fees charged per thousand head inventory, per thousand head capacity may be considered as well and we'll talk about that. And I would thank you and ask if there are any questions. [LB696]

SENATOR WALLMAN: Any questions? Thank you, Senator. Any proponents to this bill? [LB696]

LINDA ANDERSEN: Hello, Senators of the Ag Committee. It's nice to be here. My name is Linda Andersen, L-i-n-d-a A-n-d-e-r-s-e-n, chairman of the Nebraska Brand Committee. We support LB768 which would allow the Brand Committee to recoup expenses incurred when investigations lead outside the brand area. This happens about 12 to 18 times a year, average expense of \$75 to \$100 each. Usually these investigations involve leaving the brand area without an inspection. Getting the cattle inspected establishes proof of ownership, identifies any stray cattle that might be in the group, and helps educate the individuals and to bring them into compliance with the law, as Senator Schilz mentioned. The committee also supports striking the words on page 4, lines 18 and 19, which conflict with the rest of that paragraph. At this time, I would offer an amendment to LB768 under which fees for the registered feedlots would be assessed on average annual inventory rather than feedlot capacity as the law reads now. Are there any questions? [LB768]

SENATOR WALLMAN: Any questions for Ms. Andersen? Seeing none, thank you. [LB768]

LINDA ANDERSEN: Thank you. [LB768]

SENATOR WALLMAN: Next proponent. [LB768]

PETE McClymont: Senator Wallman and members of the Ag Committee, for the record my name is Pete McClymont, P-e-t-e M-c-C-l-y-m-o-n-t. I'm the executive vice president for the Nebraska Cattlemen. Our board of directors and membership have voted to support LB768, so we appreciate Senator Schilz bringing the bill forward, and also wish to support the Brand Committee as they need to have these fees be specific to the efforts that they do, so. Senator Schilz did a thorough and meticulous job in bringing the issue to you. We are not aware of the amendment so we would like to see that first before we throw our support behind that. Not that we're against it, but we'll do that and work with the Brand Committee and Linda Anderson and Mr. Stanec. So with

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that, I will conclude my testimony and be happy to help in any way possible. [LB768]

SENATOR WALLMAN: Any questions for Pete? Senator Hansen. [LB768]

SENATOR HANSEN: Mr. McClymont, what was your objection to the amendment?
[LB768]

PETE McClymont: There is none. I just...we hadn't...I just would like to sit and work with the committee and talk to them about it more thoroughly. [LB768]

SENATOR HANSEN: Okay. Thank you. [LB768]

SENATOR WALLMAN: Thank you, Senator Hansen. Any questions? Seeing none, thanks. [LB768]

PETE McClymont: Thank you, Senator Wallman. [LB768]

SENATOR WALLMAN: Next proponent. [LB768]

JOHN HANSEN: Mr. Vice Chairman and members of the committee, for the record my name is John Hansen, J-o-h-n, Hansen, H-a-n-s-e-n. I'm the president of Nebraska Farmers Union and also their lobbyist. We are in support of LB768. It is a good thing to bring practice and intent consistent with the statute. And, unfortunately, the practice that we've been doing and what was intended to be done does not match up with the draft of the last bill. So we need it...we view this as a technical amendment but an important one, and the world will not significantly change based on how it operates should this bill pass, which is a good thing; and so we are in support of the original intent and also this bill. And thank you for your time and I'll be glad to answer any questions if you have any, if I might be able to do it. [LB768]

SENATOR WALLMAN: Any questions for Mr. Hansen? Seeing none, thank you.
[LB768]

JOHN HANSEN: Thank you. [LB768]

SENATOR WALLMAN: Next proponent. [LB768]

STEVE STANEC: Good afternoon, Senator Wallman, Chairman Wallman and the Ag Committee. My name is Steve Stanec, first name is spelled S-t-e-v-e, last name is spelled S-t-a-n-e-c, stepping forward as a proponent. As Senator Schilz indicated, I might explain the policies or the current procedures of the Brand Committee relative to inspections outside the area. One thing is that the committee's longstanding history is that they want to educate versus prosecuting. If they can obtain compliance through

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education versus prosecution, that's what they want to achieve. So in doing that, the main goal is to ensure that any cattle that were shipped out of the area, inadvertently or intentionally, that they are viewed for ownership and any strays that may have strayed into the herd are returned to their rightful owners, etcetera. However, that takes our personnel away from their regular duties inside the area to perform those functions, it becomes time-consuming and costly. So that's the reason we've allowed for those producers to pay those expenses so we can obtain those goals. As far as the amendment that was offered, it has been a long time standing, and I look back through the minutes of the Nebraska Brand Committee and it dates back as far as 1971, the initial fees associated with the registered feedlot are based on their capacity. And every year then they pay a renewal fee that by statute says based on capacity. However, I found information dating back to 1971 that they were allowed to pay an average inventory which is because feedyards are rarely at their capacity. And it was more of a fair compensation or paying for their fees than on capacity given...there are certain times of the years they have no cattle in those feedyards. So in an attempt to be consistent with statute then, the committee would offer an amendment that they feel is fair to those feedyards; and the renewal would be based on average inventory, not capacity. I'd be glad to answer any questions that you might have. [LB768]

SENATOR WALLMAN: Any questions for Steve? Senator Johnson. [LB768]

SENATOR JOHNSON: It's kind of a technical...they will provide you the inventory or do you audit any of that or how do you monitor...? [LB768]

STEVE STANEC: We have one inspector that is titled a registered feedyard dairy inspector that does four inspections a year on their records, obtains their inventory at that time, at the end of the year takes those four inventory numbers and does an average and that's what they pay their fees assessed on. [LB768]

SENATOR JOHNSON: So you already have the system in place. [LB768]

STEVE STANEC: Yes, uh-huh. Yes. [LB768]

SENATOR JOHNSON: Okay. Thank you. [LB768]

SENATOR WALLMAN: Yes, go ahead. [LB768]

SENATOR BLOOMFIELD: Thank you, Senator Wallman. I'm going to follow along that line of questioning a little bit. Would we possibly do better assessing that value with the number of livestock on hand at the time of the inspection versus the average? [LB768]

STEVE STANEC: Well, we...here's our system. It goes in four times a year, gets the inventory at the time he's there, and then at the end, if their renewal comes due they

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take those four inventories, adds them up and then divides it by four, so that gives an average annual. The inspector might be there one time when they're at their capacity and then in the summer they might be at zero, so. And it's an annual fee that they pay. So if their renewal comes in July and they might have zero cattle in the feedlot, but if their renewal becomes in January, they might be at capacity. So this current system is what the...and the information that I found dates back to a meeting with the Nebraska Feeders Association when that still was in existence before it merged, and that was the fairest assessment that they believed was there to do that average inventory. [LB768]

SENATOR BLOOMFIELD: Okay. I'm going to need to look at that a little more just to pacify myself. [LB768]

SENATOR WALLMAN: Anybody else? I got one. I live in a nonbrand area so if I buy branded cattle, they're inspected before they leave your brand area? [LB768]

STEVE STANEC: Yes, that is correct. That's the statutory requirement that they are inspected. Obviously from testimony, we have instances that does not happen. [LB768]

SENATOR WALLMAN: Yeah, I understand. Thank you. Any other proponents? I think that's all. Any other proponents? Opponents? Neutral? That concludes the hearing on LB768. Thank you. Oh, closing, excuse me. Would you like to close? [LB768]

SENATOR SCHILZ: That's okay. Nope. Everybody seems to be okay, so we won't worry about that. (Laughter) Thank you very much and we'll...oh, Senator Davis is here. At this time we will go ahead and start the hearing on LB846; and Senator Davis, you're welcome to open. Welcome to the Ag Committee. [LB768]

SENATOR DAVIS: Thank you, Senator Schilz and members of the Ag Committee. I am Al Davis and I represent the 43rd Legislative District. Before I start, I'd just like to say that several of us think you should live in a brand inspection area, Senator Wallman. (Laughter) [LB846]

SENATOR WALLMAN: Time out. (Laugh) [LB846]

SENATOR SCHILZ: We're here to introduce LB846. Thank you. (Laugh) [LB846]

SENATOR LATHROP And stir the pond. [LB846]

SENATOR DAVIS: I am here to introduce LB846. This bill would establish authority for Brand Committee inspectors to perform cattle brand inspections when they are asked to do so in territory adjoining the counties that are now within the mandatory brand inspection area. This expanded area would be known as the brand inspection service area. This legislation came about as a result of interim study hearings held during 2013

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which considered establishing a statewide brand inspection area. Certain Nebraska residents living outside the brand inspection area will benefit by extending brand inspection opportunities to residents of counties adjacent to the brand inspection area should livestock they own be shipped to states which require brand documents and proof of ownership for entry into those states. The constituents in the proposed service area who would like to have brand inspection performed currently are unable to do so because the Brand Committee believes its inspectors cannot do so without statutory authority. The service area would adjoin the counties and parts of counties that are now within the mandatory brand inspection area so this expanded service area would be limited in size. In addition the development of the brand inspection service area may stimulate more interest in moving that particular county into the brand inspection area by local residents once the benefits of brand inspection are known by those residents. LB846 would give authority to brand inspectors to perform inspections in these areas when asked to do so and to charge the statutory fees for this service. Brand inspections would also be provided for strays that are captured in the new inspection service area. LB846 would require a bill of sale for cattle to include the amount collected from the buyer for the beef checkoff program. This would provide a mechanism through which to verify the collection and disposition of checkoff dollars. I would be happy to answer any questions. [LB846]

SENATOR SCHILZ: Thank you, Senator Davis. Any questions for Senator Davis?
Senator Johnson. [LB846]

SENATOR JOHNSON: Knox County, being half and half, which way does that go in this bill? [LB846]

SENATOR DAVIS: I would...the other half of the county would be in the service area. [LB846]

SENATOR JOHNSON: So just half of that county? [LB846]

SENATOR DAVIS: Yes. Half is in the inspection area already. The other half would be... [LB846]

SENATOR JOHNSON: Right. So we're not moving that one as the one bill proposed. [LB846]

SENATOR DAVIS: No. [LB846]

SENATOR JOHNSON: Okay. So in that case it's only half of a county affected, not that half and half of the next. [LB846]

SENATOR DAVIS: Right. [LB846]

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SENATOR JOHNSON: Okay. [LB846]

SENATOR SCHILZ: Thank you, Senator Johnson. Any other questions for Senator Davis? [LB846]

SENATOR JOHNSON: I have another question. [LB846]

SENATOR SCHILZ: Yes, sir. [LB846]

SENATOR JOHNSON: There's some people in the eastern part of the state that would like to be in the brand inspection area. I've visited with those people and there's...I'll stop there and say, as Senator Chambers would say, this is for the record. They would like to be in the brand inspection area because they own land within the brand inspection and they transport back and forth, and they would like some kind of a program to exempt them from brand inspection. And right now, you know, if you're in a neighboring county you're probably going to be still in it. My situation is, I told them we worked on an amendment and I said to Rick and Senator Schilz that I would not introduce that as an amendment because I knew there would be opposition, but I do want to try and work and see if there is a way to accommodate those and then I think we've got everybody that wants to be in, in. That's... [LB846]

SENATOR DAVIS: And you had mentioned that to me, Senator Johnson, when we introduced the bill and I did contact Mr. Stanec and I believe if he's going to testify on this bill he could probably enlighten you as to what some of the problems are with trying to do that. Essentially what you'd be doing is sort of extending this whole service area to the entire state and that's going to become more problematic than you might think, but I'm going to let Mr. Stanec deal with that question. [LB846]

SENATOR JOHNSON: Yeah, that's fine. Thank you. [LB846]

SENATOR SCHILZ: Thank you, Senator Johnson. Any other questions for Senator Davis? Seeing none, thank you for your opening. And will you stick around for closing? [LB846]

SENATOR DAVIS: I think so. [LB846]

SENATOR SCHILZ: Okay. Thank you very much. At this point, we will take proponent testimony on LB846. Don't be shy. [LB846]

PETE McClymont: Chairman Schilz and members of the Ag Committee, for the record my name is Pete McClymont, P-e-t-e M-c-C-l-y-m-o-n-t. I'm the executive vice president of Nebraska Cattlemen. We're here to support Senator Davis' bill and we are

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in strong support of LB846. NC supports this bill as a way to determine the need and/or desire for brand inspection outside of the current inspection area. The passage of this bill would be one method to test if producers' needs are changing related to brand inspection. Furthermore, the bill requires the bill of sale for cattle transferred include a notation on the amount of money collected for the Beef Promotion and Research Order. As supporters of the Beef Promotion and Research Order, we have for many years provided our members with a complimentary bill of sale upon request and that document has a place to note the checkoff has been paid on the cattle bill of sale transfers. We look forward to the implementation of LB846 and the resulting data that has developed. With that, I will conclude my testimony. [LB846]

SENATOR SCHILZ: Thank you, Mr. McClymont. Any questions for Mr. McClymont? Senator Johnson. [LB846]

SENATOR JOHNSON: For the record, you represent all the cattlemen in Nebraska, right? [LB846]

PETE McCLYMONT: Yes, sir. On both sides of the line. [LB846]

SENATOR JOHNSON: Okay. Would you be willing to sit in and work on a possible way to satisfy those people in counties that are not adjacent to the brand inspection area? [LB846]

PETE McCLYMONT: Absolutely. [LB846]

SENATOR JOHNSON: Thank you. [LB846]

SENATOR SCHILZ: Thank you, Senator Johnson. Any other questions for Mr. McClymont? Seeing none, thank you for your testimony. Appreciate it. Next proponent. [LB846]

JIM PAPPAS: Mr. Chairman and committee members, my name is Jim Pappas, P-a-p-p-a-s. I'm here today representing the Independent Cattlemen of Nebraska, the other people. (Laughter) And basically I'm here to say, you know, I was going to testify on Senator, the Chairman's bill too, but it's kind of like me too, typed on his, so we need his bill. I think this bill needs to be passed. It clarifies things. If the committee is interested in conserving a lot of floor debate and a lot of other things and paperwork, it's probably the easiest thing to do was do away with Senator Davis' bill and just put the bill...put the entire state in the brand area out and that way it eliminates the need for some of Senator Schilz's bill and some of Senator Davis' bill and that also eliminates the talk about working on any other type of the border things. [LB846]

SENATOR SCHILZ: Thank you, Mr. Pappas. Any questions for Mr. Pappas? Seeing

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none, thank you for your testimony. Appreciate it. Next proponent. Welcome. [LB846]

JOHN HANSEN: Mr. Chair and members of the committee, for the record my name is John Hansen, J-o-h-n, Hansen, H-a-n-s-e-n, and I'm still the president of the Nebraska Farmers Union. Thank you again for this opportunity to appear before the committee today. We are in support of LB846. It seems like a fairly simple cost-effective way to help service those adjoining areas to the brand area, and so it's, I think, more of a smaller, more appropriate administrative approach that makes good sense, and we view it in that way. So it helps make things, I think, easier and more appropriate for the brand folks and that's probably also an area where you're likely to have more requests for inspection and all of those things. And I would not be quite as sweeping as the previous testifier in recommendations, but I would suggest that it looks like to me that maybe these two bills could get hitched as they would go to the floor, and I would recommend to the committee favorable consideration for both of these bills again. And thank you for your time and consideration, and with that I'll end my testimony and answer any questions if I could. [LB846]

SENATOR SCHILZ: Thank you, Mr. Hansen. Any questions for Mr. Hansen? Seeing none, thank you very much for your testimony. [LB846]

JOHN HANSEN: You bet. Thank you. [LB846]

SENATOR SCHILZ: Further proponents on LB846. [LB846]

LINDA ANDERSEN: My name is Linda Andersen, L-i-n-d-a A-n-d-e-r-s-e-n. I'm speaking on behalf of the Nebraska Brand Committee as a proponent to LB846 which would allow the creation of the brand inspection service area. This would expand to the boundary...the bordering counties and parts of counties and would subject them to the benefits provided by brand inspection which we know, proof of ownership, and also a clear and proven method of handling the stray cattle that would show up in these areas. Fees for the inspection within the service area would be consistent with the fees in the brand inspection area proper. Again, we support LB846. [LB846]

SENATOR SCHILZ: Thank you very much, Ms. Andersen. Any questions? Senator Hansen. [LB846]

SENATOR HANSEN: I have one. Thank you for coming clear down to Lincoln today. I have one question about the amount of fees that are charged plus the surcharge. Is there any particular feeling one way or the other about covering the actual expenses of the Brand Committee? [LB846]

LINDA ANDERSEN: We really don't have any data to look at. We're thinking we've got inspectors fairly close to that line already, so probably...you know, obviously, it could be

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some extra expense but we don't think a great deal and especially when probably most of those inspections would have a surcharge attached. [LB846]

SENATOR HANSEN: Okay. Thank you. [LB846]

SENATOR SCHILZ: Thank you, Senator Hansen. Any other questions? Seeing none, thank you, Ms. Andersen for your testimony. [LB846]

LINDA ANDERSEN: Thank you. [LB846]

SENATOR SCHILZ: Further proponents of LB846? [LB846]

STEVE STANEC: Senator Schilz, members of the Ag Committee, my name is Steve Stanec, S-t-a-n-e-c is the last name, S-t-e-v-e is the first name, executive director of the Nebraska Brand Committee. I, as the administrator of the Brand Committee, step forward in support of this bill. I do get calls on occasion for inspections to be performed out of the brand inspection area. Currently, as we understand it, we don't have the statutory authority to assess those fees outside the brand area, so we basically turned those people down. Also I'm stepping forward in anticipation that Senator Johnson might have a question relative to his concerns. (Laughter) [LB846]

SENATOR SCHILZ: Thank you, Mr. Stanec. Any questions? [LB846]

SENATOR JOHNSON: Well, I think you know my question and I understand a little bit where you're coming from, but they have two issues. One is, and they can correct this to a certain extent, one of them is when they're out there they travel a long ways to get out there. I mean it's not across the world but it's quite a ways for them, and to get the inspector there and that inconvenience to that, plus they do it every year and it's just an additional expense to them per animal. You know, it's not the biggest expense out there but it's just the frustration more than anything, and I said I would try and work to see if there's a way; and so if we can sit down and talk about it down the road, I'll be fine. [LB846]

STEVE STANEC: Some of your constituents have expressed their concerns to me directly. I understand their situation relative to the convenience. It's no more inconvenient for them than it is for those that reside in the brand area and obtain a brand inspector. I did see a rough draft. A lot of concerns came to mind. One of those is, it's not limited to the eastern one-third of Nebraska as it's written. I understand it could apply to someone from California. There's no restriction on where those cattle are bringing...or those people reside that are bringing cattle into the state. That's one of them. The other issue is they come in, they leave, there's never an opportunity to put those animals before a third party to determine that they didn't inadvertently or intentionally take one of the neighbor's animals home. It's not consistent with our

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grazing permit which requires at point of shipment beyond the land description in the permit that they do call a brand inspector and they inspect those animals before they go to a point beyond that to ensure that there are no strays, predominantly; that's the reason for it, that there are no strays. So there are some things that I think we need to be concerned about and maybe take a good hard look at it and see if there's some compromise that can be brought. I think where you're going to find an issue is the neighbors inside the brand area, 99 percent of the neighbors and the people that are bringing cattle in get along great, but there's a small percentage that don't and they would be calling my office and saying my neighbor left out of the brand area without inspection and I think one of my animals is in there. How do we recoup the expenses of driving to Wahoo, Saunders County, to ensure that it wasn't there? [LB846]

SENATOR JOHNSON: Well, and I've talked with them a little bit and there's probably some things that I think could be put in there in order to help safeguard that, but we can work on that. And I appreciate at least your willingness to sit down and maybe sit down with some of them and we'll resolve this one. [LB846]

STEVE STANEC: Right. Right. [LB846]

SENATOR SCHILZ: Thank you. Senator Wallman. [LB846]

SENATOR WALLMAN: Thank you, Chairman Schilz. Yeah, thanks for coming. And, you know, I'm always interested in what other states do. I was watching RFD, and the big JH Ranch, I think a million and some acres. And does the whole state of Texas have a brand? [LB846]

STEVE STANEC: They have brand inspection at their auction markets. Cattle may leave that state without brand inspection but they do require a health inspection. But no, Texas only has brand inspection at the livestock markets. [LB846]

SENATOR WALLMAN: Thank you. [LB846]

SENATOR SCHILZ: Thank you, Senator Wallman. Any other questions for Director Stanec? Senator Johnson. [LB846]

SENATOR JOHNSON: I have another, a little different subject, and...sorry about that. One of the things that we heard in the brand inspection area when we were out on the interim hearing was the collection of the fees, and there seemed to be a concern that the eastern part of the state, that outside the brand area, there's a lot of slippage. And one thing I learned that I was not aware of before was...well, two things. One, that every time there's a transfer of ownership there's a dollar fee. I just...originally I thought it was just at slaughter time or a one-time fee, but I understand that the numbers maybe add up to maybe two and half times average, or maybe three times, that animal is sold, and

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so there's more dollars collected than one dollar on that calf or whatever. Is there a way that we could petition or something that it's collected one time at slaughter, which everybody is going to pay into it then? It puts it on the packing plant, but I don't know for sure if that's fair, but trying to figure out how to do that, because right now the federal government says we are to collect...or the federal program says we are to collect all of that but we don't have brand inspectors in the eastern part to make sure that gets done. [LB846]

STEVE STANEC: If I understand you, you are referencing the beef checkoff. [LB846]

SENATOR JOHNSON: Beef checkoff, correct. [LB846]

STEVE STANEC: Not brand inspection fees. [LB846]

SENATOR JOHNSON: No, beef checkoff. Yeah, excuse me. [LB846]

STEVE STANEC: Right. We have no statutory authority. The only participation we have in that is we contract with the Nebraska Beef Council to collect those fees on our private treaty sales that we're involved in. Other than that, I'm not familiar. There's a number of federal mandates that dictate when that dollar is assessed, and if my memory serves me correctly it's on change of ownership, whether it be on a private treaty sale, at an auction market, whether they've gone to slaughter as fat cattle or if they go to slaughter as a cow. So those are federal mandates that we certainly aren't involved in. No, I don't know what the answer is there other than contacting the Nebraska Beef Council and seeing if there is something that can be done through them. We have no involvement other than our agreement to collect it on private treaty sales inside the brand area. [LB846]

SENATOR JOHNSON: Okay. Thank you. [LB846]

SENATOR SCHILZ: Thank you, Senator Johnson. Are there any other questions for Mr. Stanec? Seeing none, thank you for your testimony. [LB846]

STEVE STANEC: Thank you. [LB846]

SENATOR SCHILZ: Any further proponents? Seeing none, is there anyone in opposition? Seeing none, any neutral testimony? Seeing none at this point, Senator Davis, if you would like to close you are more than welcome. Senator Davis waives closing. That will close the hearing on LB846 and the hearing for today. [LB846]