

FAQ: 2012 DMS CONSORTIUM

Why was the Consortium put together? In July 2012, CDFA Secretary Karen Ross requested that a weights and measures-specific consortium be convened to address the loss of General Funding and help develop long term solutions for organizational and operating challenges faced by DMS.

Here is an excerpt from the invitation letter that was sent out to key stakeholders:

“Maintaining a level playing field for both businesses and consumers is of vital importance to California's economy. The California Department of Food and Agriculture's (CDFA) Division of Measurement Standards (DMS) serves to ensure that commercial transactions are honest and fair, and that standards are uniformly applied throughout the state. The work of DMS is also referred to as “weights and measures,” a technical and regulatory infrastructure that supports the commercial measurement system which in turn supports the buying or selling of products or services on the basis of weight, measure, or count.

A well-established and balanced system of weights and measures has been developed in California, whereby the state works closely with county sealers of weights and measures to carry out its activities e.g., commercial device testing, package verification, and pricing accuracy. However, this is a moment of great economic challenge and technological change and DMS is at a turning point. Mandatory General Fund reductions over the last two fiscal years have completely or partially de-funded some DMS programs which are critical to the accurate measurement during commercial transactions. Even DMS industry funded programs like the one that assures quality standards for gasoline are being challenged by outdated and inappropriate fee sources.”

Background. The Division of Measurement Standards (DMS) experienced a loss of \$1.5 million in General Funds in 2011. Three core programs were completely de-funded (Price/Quantity Verification, Device Enforcement, and California Type Evaluation Program, aka CTEP). Legislation was passed in 2011 that resulted in funding for the Device Program via the Device Administrative Fee (see Annual Device Administrative Fee FAQ Sheet). The same legislation provided for CTEP to institute new fees and raise existing fees. Today, the Price/Quantity Verification Program remains unfunded. Additional General Fund reductions taken by CDFA in 2012 included a loss of \$125,000 from the DMS Metrology Laboratory's budget. A one-third reduction of the Lab's budget caused DMS to begin charging counties for non-calibration expenses in July 2012 (see DMS Notice M-12-1).

Who are DMS' stakeholders in the Consortium? DMS' programs touch so many elements of the economy so the list is long and diverse. Representation consists of groups interested in petroleum and alternative fuels, agribusiness, grocery and retail, manufacturing, state and local government, and consumer protection. Specific companies and organizations include: CA Grocers Association, CA Retailers Association, CA Construction and Industrial Materials Association, CA Farm Bureau Federation, Wal-Mart, Procter & Gamble, Foster Farms, Western States Petroleum Association, CA Independent Oil

Marketers Association, CA Fuel Cell Partnership, CA Plug-in Electric Vehicle Collaborative, and CA Biodiesel Alliance, Propel Fuels. CACASA was represented by Kurt Floren (Los Angeles), Louie Mendoza (Yuba), and Matt Siverling (CACASA lobbyist). The public was represented by the CA Public Interest Research Group.

Consortium kick-off meeting on September 26. At that meeting there was general agreement that:

- DMS (state-level weights and measures programs) should continue to exist.
- The Petroleum Program, which is paid for by a motor oil fee assessed to petroleum industry members, should have a different funding source. This is because the alternative fuels in the future (e.g. hydrogen and electricity) may not be petroleum based.
- The Price/Quantity Program is of benefit to industry because it provides uniformity and consistency for businesses who deal with multiple counties. Package inspections are performed at more places than just the retail level, and further discussions about appropriate funding sources might consider manufacturer and/or distributor fees.
- If industry fees will pay for DMS programs, then industry should have a voice in determining the type and scope of programs run by DMS.
- The Metrology Laboratory benefits all weights and measures activities and should be considered in all future discussions.
- Future meetings of the Consortium should be split into two groups:
 - Fuels Group
 - Retail/Manufacturing/Packaging Group

What are the specific goals of the Consortium? The two groups will work to address the issues of optimal program size and scope of activities, funding options, and providing value to stakeholders. Any solutions will require legislative change. Therefore, the Consortium will meet on a regular basis with the goal of proposed legislation introduced during the 2013 legislative session. If successful and a bill is passed and signed by the Governor, new legislation would take effect January 1, 2013. Depending on how the language is written, a new law may also require the Department to develop regulations.