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Headline Summary

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Did You Know...

Bubble Pack, Styrofoam Pellets, and Styrofoam Sponges.

Bubble pack, styrofoam pellets, and formed in place styrofoam sponges are packing materials. They may be purchased for resale if sold to persons who are also the sellers of the property shipped, because the materials become part of nonreturnable containers which are resold with the property shipped.

Inflation Calculator. There are numerous inflation calculators on the web to measure the buying power. Here's the one we often use: <http://www.westegg.com/inflation>.

You can start with any date from 1800 through 2009. The first date can also begin in the present, like 2009, and then move backwards – each method is interesting.

WatchDog

Guarding the Business of Print May 2010

Carryout Packaging Bills

Two carryout packaging bills have been introduced this year to change the manner in which products are carried away from retail establishments.

- Assemblymember Julia Brownley (D-Santa Monica) is the author of AB 1998 to repeal the requirement for in-store plastic bag recycling as of January 1, 2012, but instead would prohibit stores from providing them to customers as of the same date.

The bill would also require Cal Recycle, starting January 1, 2015, to submit to the Legislature a report regarding the effectiveness of the bill's provisions and recommendations to further encourage the use of reusable bags. This legislation would apply to both paper and plastic bags.



The bill is co-authored by 14 additional legislators and passed out of the Assembly Natural Resources and awaits hearing in Appropriations.

- AB 2138 has been dubbed the *Plastic Ocean Pollution Reduction, Recycling, and Composting Act*. It would prohibit a food provider by July 1, 2013 from distributing disposable food service packaging or single-use carryout bags to consumers unless the bag or packaging is recovered for composting or recycling at a rate of 25% or more.

Since recyclers do not want to handle packaging that has come in contact with food and since composting facilities are becoming fewer and fewer, returnable containers would have to be utilized. The bill passed out of the Assembly Natural Resources and awaits hearing in Appropriations.



Do Not Mail Activity

So far, two cities have passed Do Not Mail resolutions: San Francisco and Seattle.

The registry resolution has moved from San Francisco, Oakland, and Berkeley to Monterey and Santa Cruz. Oakland has put its resolution on hold, and Berkeley has opted just to publicize the DMA registry to its residents.

The Monterey resolution has a different twist: It targets the hand-delivery of handbills, free distribution papers and telephone directories. The author wants to target directories, but the city attorney said the resolution must target all hand-deliveries; otherwise it would discriminate against directories. We await a hearing date on the resolution.

Santa Cruz has introduced the San Francisco resolution. It was scheduled to be heard in the Integrated Waste Management Committee on April 1 but was put over until May 6.

We have taken a lead in California in the Mail Moves America coalition, initiating a local letter writing campaign, lining up companies to testify in opposition to these resolutions, and testifying in committees and before city councils' and board's of supervisors.

NAICS Codes

Periodically, we mention law with which members of the printing industry should be familiar, such as NAICS Codes.

What are NAICS?

NAICS stands for the *North American Industry Classification System*, a standard system used by business and government to classify business establishments into 20 industries, according to their economic activity. The U.S. government developed NAICS to collect, analyze, and publish data about the economy. Canada and Mexico have also agreed to use NAICS as a standard across North America.

NAICS replaced the now-obsolete Standard Industrial Classification (SIC) system in 1997. The US government updates NAICS every five years to reflect changes in business and industry classifications. NAICS 2007 is the most recent version, and the next NAICS will launch in January 2012.

An NAICS code consists of six digits. Let's take digital printing as an example; its code is 323115. The first two digits indicate economic sector (32-manufacturing). The third and fourth indicates industry subsector (31-printing and related support activities). The fifth refers to industry (1-printing). The sixth digit specifies an industry that is specific to the U.S., Canada, or Mexico (5-digital).

Should you get an NAICS code?

Some federal and state agencies require businesses to have a NAICS code for administrative, contracting, and tax purposes. Some government contracting authorities also require you to have an NAICS codes to be eligible to bid on contracts.

How do you find your code?

You can find your NAICS code on Census.gov by using the search box in the upper left of the U.S. Census NAICS Web page found at www.census.gov/eos/www/naics.

SCAQMD Rule 317 Moves Forward

For those members who have been following the 6-month saga of the South Coast Air Quality Management District's Proposed Amended Rule 317– Non-Attainment Fees, the Board voted on January 8 to continue the hearing until May.

The fee applies to facilities that have the potential to emit 10 or more tons per year of VOC or NOx, or both compounds. That includes 38 printing companies. The current adjusted fee is over \$9,000 per ton of emission that exceeds 80 percent of a company's 2010 actual emissions. The first assessment year is 2011.

In late February, the SCAQMD and industry, following EPA guidance, crafted an approach that would mitigate the financial impact of the rule on business. It included (1) apply permit and annual emission fees to Rule 317 billings; (2) a recessionary factor to increase allowable emissions before Rule 317 fees kicked in; and (3) requested \$10 million from the Air Resources Board to help offset these new fees.

On March 5, 2010, National Resource Defense Council filed a petition for review of guidance issued by EPA on January 5, 2010 related to CAA § 185, entitled "Guidance on Developing Fee Programs Required by Clean Air Act Section 185. The guidance was developed to help states incorporate Section 185's nonattainment fee provisions into their state implementation plans—and allowed a recession adjustment factor and offsetting the new fees with permit and annual emissions fees.

PIC has joined several other groups as an intervener in the case, which is being handled by the law firm of Latham & Watkins.

Small Business Alliance News

Gerry Bonetto, PIC's Vice President of Government Affairs, has been elected President of the California Small Business, a coalition of trade association dedicated to fostering small business job creation and fair environmental regulation.

Some other members include: California Independent Petroleum Producers, Furniture Manufacturers Association, California Autobody Association, California Metal Finishers Association, California Dry Cleaners Association, California Rock Products Association, and the Korean Dry Cleaners-Laundry Association.

In the L.A. metro area alone, California Small Business Alliance represents 14,000 companies, 1 million employees and \$51 billion in shipments.

The Lacey Act and Print

Printers and print buyers must be aware of the Lacey Act—the nation's oldest wildlife protection statute, which was amended in May 2008 to protect a broad range of plants and plant products, including pulp and paper. The rule went into effect immediately upon passage, although the declaration requirement for paper went into effect on April 1, 2010.

For our purposes, the law addresses anyone who imports paper, purchases imported paper, prints on imported paper, or purchases print on imported paper.

The Department of Justice, the Act's enforcing agency, requires imports of paper to provide a basic declaration to accompany every shipment. The purpose of the declaration is to increase transparency as to the source of the timber and plant trade. The declaration must contain the following information: the scientific name of any species used and country of harvest and quantity.

For more information, see <http://www.wri.org/stories/2009/12/fact-sheet-are-you-ready-lacey-act>.