



Member Associations of

PRINTING INDUSTRIES OF CALIFORNIA

Printing Industries
Association of

San Diego

Phone: (858) 571-6555

Web: www.piasd.org

Printing Industries
Association of

Southern California

Phone: (323) 728-9500

Web: www.piasc.org

(formerly Printing Industries
of Northern California)

Visual Media Alliance

Phone: (415) 495-8242

Web: www.visualmediaalliance.org

Headline Summary

- UI Increase Expected
- New Postal Schedule
- Plastic Bag Ban
- Health Care Special Session
- More No Print Activity
- EEOC Enforcement Plan

New Postal Schedule

The U.S. Postal Services will stop delivering mail on Saturdays in early August. This will save \$2 billion annually, according to Postmaster General and CEO Patrick Donahoe.

Package delivery will continue service six days per week. There was a 14 percent volume increase in package deliveries since 2010 and USPS projects continued package growth for the next decade.

Post offices that are currently open on Saturdays will remain open. And mail that is addressed to P.O. Boxes will still be delivered on Saturdays. Since 2006, USPS says it has made \$15 billion cuts, consolidated more than 200 mail processing locations and shrunk its workforce by 193,000 people—or 28 percent.

WatchDog

Guarding the Business of Print

February 2013

UI Increase Expected

Labor and Workforce Development Secretary Marty Morgenstern recently initiated discussion with business groups about increasing unemployment insurance (UI) rates for California employers. Because of California's unusually high unemployment rate over the past five years, the California Unemployment Trust Fund is significantly in debt.

California has borrowed \$10.3 billion from the Federal Unemployment Account since 2009 to pay ongoing weekly unemployment benefits to eligible unemployed workers. Of course, the borrowed money must be repaid with interest. In addition to the interest paid by the state, the federal government penalizes employers by adding an escalating per employee charge each year until the state's debt is eliminated.

In California's case, the penalty is \$21 per employee per year. In 2012, employers saw the first \$21 penalty added to their UI bills. This year, the penalty increases to \$42 per employee, then to \$63 in 2014, \$84 in 2015, etc. By 2019, the federal penalty would be \$168 per employee. The employer penalty is used to pay down the principle on the money borrowed from the Federal Unemployment Account. The Employment Development Department forecasts the debt to the Federal Unemployment Account would be repaid by 2019 if the state's economy continues to improve.

In 2011 and 2012, California made interest-only payments, using \$611,000 borrowed from the State Disability Insurance Fund (SDI). The SDI money also must be repaid with interest. The Governor's 2013-14 budget proposes making the 2013 interest-only payment from the general fund.

The Brown administration hasn't made a formal proposal to increase UI rates, but has presented two possible rate increase plans. One plan would increase the base wage for from \$7,000 to \$12,000. The other plan would increase the base wage to \$12,000 and increases the maximum from 6.2 to 8.1 percent.

Plastic Bag Ban

Assemblyman Marc Levine (D-San Rafael) has re-introduced legislation seeking a statewide ban on the use of single-use plastic bags by grocery stores and large retailers. The new bill, AB 158, is similar to previous legislation in that it seeks a statewide ban, but differs from earlier versions on paper bag fees and implementation.

Specifically, AB 158 seeks to prohibit, as of January 2015, grocery stores with more than \$2 million in annual sales or retailers with over 10,000 square feet of floor space from providing plastic bags to consumers.

Retailers could provide both recyclable paper and reusable plastic bags until July 2016. After that, retailers would be required to only provide reusable plastic bags.

Health Care Special Session

Two identical bills (SB 1x, Steinberg; AB 1x, Perez) have been introduced in the state legislature to implement the Patient Protection and Affordable Care Act ("Obamacare"). Neither bill does more than what's required under federal law. They do, however, expand coverage under Medi-Cal—California's version of Medicaid—to everyone under age 65 with incomes that don't exceed 133 percent of the federal poverty level (\$14,856 annually for an individual; \$30,657 annually for a family of four).

California has the largest number of persons under age 65 without coverage in the nation—7.1 million. Today, about one in five Californians are served by Medi-Cal, an estimated 7 million. The program is expected to reach one in four Californians after eligibility is broadened.

The legislation also would implement a new way of determining the amount of income that counts toward eligibility. The "Modified Adjusted Gross Income" methodology is basically the way the taxable income is calculated under Internal Revenue Service rules.

A special session called by the Governor Brown runs concurrently with the Legislature's regular session.

EEOC Enforcement Plan

The Equal Employment Opportunity Commission (EEOC) has approved a new Strategic Enforcement Plan that establishes six national priorities.

The priorities are (1) eliminating barriers in recruitment and hiring, (2) protecting immigrant, migrant, and other vulnerable workers, (3) addressing emerging employment discrimination issues, (4) enforcing equal pay laws, (5) preserving access to the legal system, and (6) preventing harassment through systemic enforcement and targeted outreach.

The EEOC's goal in identifying these priorities is to ensure that agency resources are targeted to prevent and (cont.)

EEOC Enforcement Plan (cont.)

remedy discriminatory practices where government enforcement is most likely to achieve broad and lasting impact. The Commission anticipates that each of these priorities will require the development of a multi-pronged response to include enforcement, education and outreach, research, and policy development. The Commission believes that a comprehensive and coordinated focus on the following priorities will significantly advance its mission.

More No Print Activity

Choose Print played a vital role in getting Google and its partners to drop their claim that doing business online save trees. The "Go Paperless in 2013" website removed the claim that going paperless will save trees. Besides contacting Google directly, Choose Print circulated the press release below. It was picked up by news outlets in the United States, Australia, Canada, Denmark, India—and includes publications such as *MarketWatch*, *Sacramento Bee*, and *California Business Journal*. We want to thank all who responded to our call to support Choose Print's efforts.

Choose Print: Saving Time. Saving Money. Saving Trees?

LOS ANGELES, Jan. 15, 2013 /PRNewswire/ -- There are numerous technologies available today to help consumers clean up the mess on their desk, which can lead to saving time. Many of these services are free, which will save consumers money. But, will these technologies save trees? Often people think that by using new technologies instead of print and paper, they are saving trees and making a sound environmental choice.

The choices consumers make should be based on a data-driven comparative analysis of lifecycle, carbon footprint and overall environmental impact. When companies like Google Drive and the other members of the Paperless Coalition, call for companies to "Go Paperless in 2013," they don't take into account that paper and print on paper are renewable and recyclable resources. This is another example of a campaign using an environmentally-focused marketing strategy to promote its services while ignoring its own impact upon the environment. Print on paper isn't depleting our forests, overwhelming our landfills, or causing global warming.

In the United States, more trees are grown than are harvested and the volume of trees has increased 49% over the last 50 years. The amount of US forestland has remained essentially the same for the last 100 years at about 750 million acres, even though the US population tripled during the same period.

One of the benefits that makes print on paper sustainable is that paper can be 100% recyclable. Recyclability is one of paper's credentials as a renewable resource that can begin and end its life in a responsible manner. In 2011 the U.S. paper recovery rate was a record-high 66.8 percent.

Responsibly managed forests are a critical resource for the environment. Forests provide wood and wood by-products that are now seen as a preferred material as society tries to reduce its reliance on fossil fuels. While it takes energy to produce paper, most of it is renewable. More than 65 percent of the energy needed to produce paper is derived from carbon-neutral biomass fuel.

As Dr. Patrick Moore, Co-Founder, Greenpeace/Chair & Chief Scientist, Greenspirit Strategies Inc., said, "To address climate change, we must use more wood, not less. Using wood sends a signal to the marketplace to grow more trees and to produce more wood. That means we can then use less concrete, steel and plastic -- heavy carbon emitters through their production. Trees are the only abundant, biodegradable and renewable global resource."