



Member Associations of

PRINTING INDUSTRIES OF CALIFORNIA

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Headline Summary

- Air Victory Saves Printers Millions
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Regulatory Reform Bills

Two bills have been introduced in the Assembly to reform the regulatory process by identifying unnecessary and overlapping regulations.

AB 435 requires the California Natural Resources Agency and California Environmental Protection Agency to webcast all public meetings and workshops and enable the public to ask questions and provide comment over the Internet.

AB 12 requires each state agency before January 1, 2018, to review that agency's regulations to eliminate any inconsistencies, overlaps, or outdated provisions in the regulations, adopt the revisions as emergency regulations, and report to the Legislature and Governor.

Both bills focus on improving the California business climate.

WatchDog

Guarding the Business of Print

April 2015

Air Victory Saves Printers Millions

The Ninth Circuit Court of Appeals released its decision involving the South Coast Air Quality Management District's ("District") Rule 317 (Clean Air Act-Non-Attainment Fees). The court unanimously upheld EPA's approval of Rule 317.

This issue goes back to December 2008, when the District adopted Rule 317, which added additional fees to more than 400 facilities (including 40 large printing companies) under section 185 of the Clean Air Act.

The fees begin in 2010 at \$9,000 a ton, with annual CPI adjustments, for each ton of emissions in excess of 80 percent of company's 1987 emissions. For a printing company that exceeds the 80 percent baseline by just one ton a year, the cost for 2010-2015 would be \$56,800. We estimate our involvement in this process has saved printing companies between two and a half to three million dollars so far, and millions more in the future since there is no foreseeable attainment date.

PIASC participated in many meetings opposing the District's effort to impose fees directly on companies. Eventually EPA issued a guidance document allowing states to offset the fees with monies from other sources.

Environmental groups challenged the fee shift in court.

PIASC help fund an amicus curiae brief with the DC District Court which, unfortunately, ruled against EPA's guidance document. EPA appealed to the Ninth Circuit Court. PIASC again helped fund an amicus brief in support of EPA's position. This time the court ruled in our favor, approving Rule 317 as a permissible approach to meet the Clean Air Act's requirements, and not punish companies that already control their emissions and are the cleanest in the nation.

Forest Certification Update

For 2015, changes are once again being made in the Sustainable Forestry Initiative (SFI) and Forest Stewardship Council (FSC) programs.

The SFI major change is a restructuring of the program into three basic standards (Forest Management; Fiber Sourcing; and Chain of Custody) and the development of a range of specific modifications to address land use conversion, pesticide use, water quality, biodiversity, indigenous peoples' rights, and biotechnology.

FSC is introducing International Generic Indicators to increase the consistency of its global program. FSC is also undertaking a review of its chain of custody program with proposed changes to include reclassifying of pre-consumer reclaimed paper and a reduction in the threshold for use of the FSC Recycled label.

You can download the full report at www.dovetailinc.org/report_pdfs/2015/dovetailforestcert031115.pdf.

Curb ADA Lawsuits

California Congressmen Ken Calvert and Duncan Hunter have reintroduced the ADA Compliance for Customer Entry to Stores and Services Act (ACCESS). The legislation is intended to help small businesses comply with the American with Disability Act, and stop the frivolous ADA lawsuits that have targeted small business in California.

The ACCESS Act requires someone who wants to file a lawsuit against a business for an ADA violation provide the business owner/operator a written notice of the violation. The owner/operator would have 60 days to provide the plaintiff a description outlining the improvements that would be made to address the barrier, and then have 120 days to address the violation. If the owner/operator fails to meet any of these conditions, the lawsuit could then move forward.

California has over 40% of the nation's ADA lawsuits, while having only 12% of the country's population. But this isn't just a California problem. Other states like Florida, Louisiana New York and Minnesota are beginning to see more of these lawsuits.

Injury and Illness Prevention

The Title 8 California Code of Regulations (T8 CCR) Section 3203 requires all California employers to have a written, effective Injury and Illness Prevention Program (IIPP) that addresses hazards pertaining to the particular workplace covered by the program. PIC has updated its IIP program template that members can use to meet the IPP requirements.

Besides identifying different hazards and safety plans to avert illness and injury, the program has material to meet the Hazardous Communication standard as well as a dozen 1-2 page safety sheets that can be used for employee training.

The program can be accessed at piasc.org under the Manage Tools icon. From there scroll to the bottom and click on *Graphic Arts Industry Resource Center*. There you'll find the IIPP under the Safety heading.

California Recycling

The California Department of Resources Recycling and Recovery has published three documents to serve as the basis to help meet the statewide new 75 percent recycling goal by 2020.

The documents include

- State of Disposal in California (114 pages) - focuses on key issues related to solid waste disposal in California.
- State of Recycling in California (81 pages) - analyzes amounts, types, facilities, and material flows.
- March 24, 2015 Workshop PowerPoint - summarizes both reports.

The reports can be found at www.calrecycle.ca.gov/75Percent/, and they serve as the basis for CalRecycle's Manufacturing Challenge, which currently is a voluntary program for product manufactures and brand owners (on an industry level) whose product contribute to the disposal stream.

The goal is to get participating industries (e.g., printing and packaging) to present its ideas and proposals to meet a specific disposal reduction by the year 2020.

OSHA Address Label Standard

Occupational Safety and Health Administration (OSHA) published a memo which outlines enforcement regarding the Hazard Communication Standard's June 1, 2015 deadline for labels and safety data sheets to meet the Globally Harmonized System of Classification and Labeling of Chemicals.

The memo describes OSHA's approach to compliance enforcement with respect to chemical manufacturers and importers who have attempted but were unable to receive the necessary classification information from their up-stream suppliers or other alternative sources, and as a result, cannot comply with the June 1, 2015 deadline.

The memo shows that OSHA has the capacity to allow manufacturers and importers of mixtures a reasonable amount of time to come into compliance beyond the deadline. The caveat is that this discretion applies on a case-by-case basis and only when the manufacturer or importer is able to clearly demonstrate and document "due diligence" and "good faith efforts" toward compliance.

Sales Tax Rates

There is often confusion over sales and use tax rates because of varying amounts for different cities and counties through the state. Here is why:

The starting point is the state's base tax rate of 7.5 percent. This amount reflects the following components:

Rate	Jurisdiction	Purpose
3.9375%	State	State General Fund
.25%	State	State Fiscal Recovery Fund (pay 2004 Economic Recovery Bonds)
.25%	State	State Education Fund
2.0625%	State	Local Public Safety, Social Services, Revenue Funds
1.00%	Local	County Transportation/City and County Operations
7.50%	State/Local	Statewide Base for Sales and Use Tax

Beyond this, with voter approval, local governments can add up to 2 percent to the state base rate. Some jurisdictions have obtained waivers to add further to this rate (e.g. the Cities of La Mirada, Pico Rivera, and South Gate have rates of 10 percent).

