

GOVERNMENT AFFAIRS WATCHDOG

AIR REGS— MORE OF THE SAME

Anyone who has read Watchdog over the past two years is well aware of the SCAQMD's (District) mandate to lower the VOC limits for lithographic roller and blanket wash to less than 100 grams per liter.

At an April 25th Technical Advisory Committee meeting, the District reaffirmed its intent to enforce this limit on January 1, 2008. The District believes that the standard of 100 grams per liter VOC can currently be met.

Another concern is that the copycats are now beginning to rear their heads. In the last two months, the following air districts have notified us that they plan to follow the lead of the SCAQMD: San Joaquin Valley, Bay Area, Solano/Yolo, Sacramento, and San Diego. They will soon amend their air rules to impose the 100 grams per liter limit on lithographic roller and blanket wash.

PIC continues to urge each of these districts to follow the San Joaquin Valley's proposal: to reduce the VOC content of roller and blanket wash to 500 grams per liter on July 1, 2008, and then to 100 grams per liter on January 1, 2010. We'll keep you posted of our progress.

For more information, please call Gerry Bonetto, Ext. 248.

IT'S TIME TO STEP UP

Every printer located in the South Coast Air Quality Management District (SCAQMD) should be worried about the lowering of the VOC limit in

BUSINESS LEGAL CLIMATE

California again ranks at the bottom of states for its business legal climate, and Los Angeles was again named the least fair litigation environment of any metropolitan area, according to an annual ranking conducted by the Institute for Legal Reform and the Harris Interactive polling firm (<http://www.instituteforlegalreform.com>.)

The survey of 1,600 senior attorneys from across the nation showed that California dropped one point in the ranking to 45 in 2006 from 44 in 2005, driven largely by high levels of certifications of class action lawsuits and large judgments in civil cases.

According to the U.S. businesses surveyed, the states doing the best job of creating a fair and reasonable litigation environment are Delaware, Minnesota, Nebraska, Iowa, Maine, and New Hampshire. The bottom six states today are California, West Virginia, Mississippi, Louisiana, Alabama, and Illinois.

On the local level, 13 percent of attorney respondents ranked Los Angeles as having the "least fair and reasonable litigation environment" of any major metropolitan area in the nation, followed by the Chicago area. The survey did not ask for the cities or counties with the most fair and reasonable litigation environments.

roller and blanket wash to less than 100 grams per liter (.83 pounds per gallon) on January 1, 2008.

In meeting after meeting with SCAQMD, we are told that the proposed 100 grams per liter limit is non-negotiable, since the SCAQMD's consultants supposedly identified various formulations that they believe meet the 100 grams per liter limit. Moreover, the SCAQMD staff would have to go back to the board to ask for another extension, which is something they don't want to do.

And here's a further dilemma. More printers are using (or testing) low-VOC solvents with some success, and each week more are trying alternative formu-

lations. This, obviously, makes it more difficult to refute the SCAQMD's contention that there are no low-VOC solvents that work.

This puts printers that may have not looked into such solvents in a precarious position—a pending standard of lower VOC solvents, but with no experience or identification of alternative solvents. If you are in that position, it is important to take into consideration that whatever limit the SCAQMD decides upon, could be considerably lower than the current limit; therefore, it is very important to arm ourselves with alternatives.

For more information contact Gerry Bonetto at 323-728-9500, Ext. 248.



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COURT RULES ON MEALS

California imposes a one-hour payment for every day an employee is deprived of a break or a meal period. The California Department of Labor Standards Enforcement (DLSE) has always found that the payment was a "wage" subject to a three-year limitation period.

The Schwarzenegger DLSE, however, found it to be a "penalty" subject to a one-year period.

Several state appellate courts split on the question. Now the California Supreme Court recently ruled that the payment is a "wage," collectable for a three-year period.

Thus if you don't enforce rest breaks and off-duty meal periods, and maintain records showing that you do, you're exposed to substantial fines. For example, a company with 10 employees earning on average \$15 an hour, that does not enforce meal breaks, faces nearly \$40,000 in potential liability—and double that amount if they also don't enforce rest breaks.

UNION MEMBERSHIP

The Department of Labor reported that 12 percent of employed workers were union members in 2006, as reported in the April 27, 2007, issue of the *California Employment Law Letter*.

Overall, in 2006, union membership fell by 326,000, a 12.5 percent decline over the previous year.

Workers in the public sector had a union membership rate nearly five times that of private sector employees. Within the public sector education, training, and library workers have the highest union participation at 37 percent.

A CALL FOR HELP

Southern California officials last week declared the region's air quality a health crisis, and have called on Gov. Schwarzenegger and President Bush "to declare a state of [environmental] emergency for the region."

TAX GAP

The BOE administers the sales and use tax, which is the second largest revenue source for the state General Fund. In 2005-06, the tax generated \$29 billion in state revenues, as well as \$15 billion in local government revenues.

There is, however, a substantial amount of taxes that simply go uncollected. The difference between the amount owed by taxpayers and the amount actually collected is known as the "tax gap," which is estimated to be in excess of \$2 billion annually.

There are three major components of the tax gap:

1. Use tax liabilities - businesses and individual consumers not required to be registered – 58 percent
2. Nonfilers/tax evasion – 20 percent
3. Registered taxpayers - under-reporting and non-payment – 22 percent

Note that the second largest component of the tax gap is comprised of individuals and businesses that conduct business transactions by word of mouth and cash payments to avoid scrutiny by government officials.

The BOE estimates that the portion of the state sales and use tax gap associated with use tax liabilities amounts to \$1.2 billion. The major portion of this amount is associated with purchases made by mail order or over the Internet.

The unanimous vote by the 71-member Southern California Association of Governments board was a show of support for air quality officials seeking tougher state and federal measures to combat smog, particularly fine particles. The board is made up of city council members and county supervisors from Los Angeles, Orange, San Bernardino, Riverside, Ventura, and Imperial Counties.

The South Coast Air Quality Management District (SCAQMD) also voted to support the request to declare the region an environmental emergency. SCAQMD wants tougher state rules and strategies to eliminate about 71 tons of pollution daily. For example, the district, facing a 2015 federal deadline to cut fine-particle pollution to acceptable levels, has pushed for tougher emissions standards for new cars and trucks and programs to add pollution controls to existing cars.

The SCAQMD also wants the EPA to clamp down on emissions from locomotives and oceangoing ships. This, however, may not happen. A federal judge just ruled that the SCAQMD cannot require railroads to shut down idling locomotives or obey other local laws de-

signed to clean up deadly diesel pollution.

The decision invalidates action taken last year by the South Coast Air Quality Management District to reduce a major source of air pollution in the Southland. Locomotives are responsible for more than 32 tons per day of pollutants, an amount equal to that produced by 1.4 million cars, according to figures compiled by state and regional agencies.

Two railroads and a trade group filed suit, saying that under special exemptions passed by Congress more than a century ago, they do not have to abide by local laws that could interfere with interstate commerce. Officials at Burlington Northern Santa Fe Railway and Union Pacific said they are spending billions to replace older, dirtier equipment, and have voluntarily cut idling times.

"The rules at issue in this case are exactly the type of local regulation that Congress intended to preempt in order to prevent a 'patchwork' of local regulation interfering with interstate commerce," U.S. District Judge John F. Walter wrote in an opinion released last week.