

# GOVERNMENT AFFAIRS

# WATCHDOG

## WATCHDOG ON THE WEB

Starting this month, you can now find the monthly newsletter *Watchdog* online. As you see by reading this issue, *Watchdog* keeps members informed of important public policy issues affecting the graphic arts industry.

You'll still get the newsletter in hard copy, but now you'll be able to access earlier issues and the current issue online. You can read, print, and email to colleagues the pdf version. It can be found at [www.piasc.org](http://www.piasc.org) under "Newsletters" or [www.piasd.org](http://www.piasd.org) under "Gov't Affairs."

## ENVIRONMENTAL FEE EXPANDED

As of January 1, 2007, Assembly Bill 1803 expanded the environmental fee to include general partnerships, limited partnerships, limited liability partnerships, limited liability companies, and sole proprietorships, in addition to corporations.

Prior to the passage of this legislation, the environmental fee was assessed only on qualifying corporations. In general, the fee applies to businesses that have 50 or more employees who are employed more than 500 hours in this state in a calendar year. These businesses must pay an annual environmental fee if they use, generate, or store hazardous materials or conduct activities related to those materials.

The Department of Toxic Substances Control (DTSC) has determined that most businesses fall into this category. The State Board of Equalization is responsible for collecting the fee, which

provides revenues for hazardous wastes cleanup and pollution prevention programs administered by the DTSC.

The fee for all qualified businesses in the

calendar year 2007 is due the last day in February 2008.

Returns will be mailed out to all registered fee payers in January 2008.

## WHO LACKS HEALTH INSURANCE?

Before there is any action by the legislature or by initiative on health care, it is important to define the problem of exactly who is uninsured in California.

**How Many Uninsured?** According to the California HealthCare Foundation's 2006 survey, there are a little over 6.6 million Californians without health insurance.

**Who are the Uninsured?** Among the findings of the California Healthcare Foundation are the following:

- Almost 2.6 million (40 percent) out of the 6.6 million of uninsured work for small employers with fewer than 25 workers.
- Nearly 71 percent of the state's uninsured children are in families where the head of household works full time, all year.
- Over 2 million are young people between the ages of 21-24. They are least likely to have health insurance out of any age group. These are young people of good health who can't afford insurance or who forgo insurance and instead pocket the extra income.
- Nearly 1 in 3 uninsured have family incomes of \$50,000 or more.

**How Should We Deal with the Problem?** First, every poor person is currently covered with government insurance; all government and big business employees are covered; private plans are available to others.

Thus the real problem is that there are many employed people who cannot afford the insurance products that are out there, or the cost of these products is sufficiently high that individuals decide to do without insurance as an economic trade-off.

There are structural and regulatory issues that make health insurance so expensive, but neither the Governor nor the legislature have come up with an adequate plan to provide more money for health care insurance.

Both plans propose to pass the costs on to workers (with new payroll taxes) or some other group (insurance companies, doctors, hospitals, etc.) which will likely translate into higher prices for retail goods.



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## WORKERS' COMP RATES TO RISE

On September 20, 2007, the California Workers' Compensation Insurance Rating Bureau (WCIRB) recommended an increase in base premiums of 4.2 percent beginning January 1, 2008—the first such increase in four years. WCIRB officials say premiums have fallen so far that they are now slightly below the cost of administering claims, which has stayed flat over the past four years.

If Steve Poizner, State Insurance Commissioner, follows through on the recommended increase later this month, it would send a powerful signal to the insurance industry that further substantial premium cuts are not warranted.

Rates have plunged about 60 percent, according to Dave Bellusci, Senior Vice President and Chief Actuary of the WCIRB. Premiums now consume less than 3 percent of payroll, down from 6.5 percent in mid-2003.

Bellusci, however, said the cost to administer claims has not gone down. It has remained steady as paperwork associated with claims has increased. Much of this paperwork is the result of greater numbers of challenges to insurer denials of treatment. "The claims are just as complex as ever, if not more so," he said.

Not wanting to risk a repeat of the fiasco of the late 1990s when insurers joined in a mad rush to the bottom and wrote premiums well below the cost of claims, the rating bureau last month recommended a 4.2 percent increase in the base premium rate. In essence, the recommendation sends a signal to the industry to be wary of over-reaching with rate cuts.

## WATER CRISIS

The Association of California Water Agencies (ACWA) has launched a statewide public education campaign entitled "California's Water: A Crisis We Can't Ignore," to inform Californians about the challenges facing the state's water supply and delivery system.

## SCAQMD: CHANGE IS NEAR

Once again we want to call your attention to the pending change in the South Coast Air Quality Management District's (SCAQMD) cleanup solvent Rule 1171. On January 1, 2008, the VOC limit of roller and blanket wash must be less than 100 grams per liter (.83 pounds per gallon).

Every lithographic printer located in the Los Angeles, Orange, Riverside, and San Bernardino Counties will be affected.

We've secured several extensions in the past; however, when we asked for one more, the SCAQMD declined the request, explaining that the proposed 100 grams per liter limit is nonnegotiable since the industry has already received several extensions since 1999. Moreover, according to the SCAQMD, it has identified various formulations that clean printing presses below the 100 gram per liter limit.

This puts printers who 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. These printers should not be waiting to see what happens, because whatever limit the SCAQMD decides upon, it is going to be considerably lower than the current limit.

Here are the standards that are scheduled to change on January 1, 2008.

- (1) The VOC content of lithographic roller and blanket wash must be less than 100 grams per liter. This applies to
  - all lithographic presses (sheetfed and web),
  - conventional or UV/EB inks, and
  - automatic or hand wipe wash-up systems.
- (2) The VOC content solvent for cleaning of metering rollers, dampening rollers and printing plates will have to be less than 100 grams per liter.
- (3) The VOC content for cleaning UV lamps will have to be less than 100 grams per liter.

We are still trying to negotiate an extension until January 1, 2009, at the current limits, for UV ink operations. A decision has to be made within the next few weeks; we'll let printers know as soon as we know.

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

The ACWA points out that the state is facing serious problems that could lead to water rationing and reduced supplies throughout the state.

Challenges that impact California's water supply include an aging infrastructure, drought, environmental concerns, climate change, and the demands of the state's growing population.

A top concern is the Sacramento-San Joaquin Delta, the hub of the state's water storage and delivery system. Experts warn that a strong earthquake could damage deteriorating levees and cripple water deliveries for up to two years.

ACWA's public education effort includes television, radio and print advertising, as

well as making use of the Internet and community outreach.

More information is available at [www.calwatercrisis.org](http://www.calwatercrisis.org).

## INFLATION ADJUSTER

Here's a useful website: [www.westegg.com/inflation](http://www.westegg.com/inflation). This site provides an easy vehicle by which you can adjust any given amount for inflation, according to the Consumer Price Index, from 1800 to 2006.

Check it out; you'll enjoy playing around with it. If you are interested in other inflation data, you can find other interesting links to inflation data on this site.