

GOVERNMENT AFFAIRS WATCHDOG

PACKAGING BILLS

Two weeks ago, a number of bills which could seriously restrict options for product packaging were defeated as a threat for this year.

AB 283 (Chesbro, D-Eureka), Product Stewardship, failed to get off the Assembly Appropriations Suspense file. This bill would have given the Integrated Waste Management Board unrestricted authority to mandate the type of packaging manufacturers could use to protect their products.

Also held on Suspense were AB 68 (Brownley, D-Santa Monica) and AB 87 (D-Los Angeles). Both bills would have placed a 25 cent fee on single-use carryout bags.

However, AB 1329, also by Brownley, passed off the Assembly Floor by a narrow margin and is now in the Senate. This bill would ban selling, distributing or importing PVC rigid container packaging as of January 1, 2013, and all PVC packaging as of January 1, 2014.

While the author initially maintained that PVC was "toxic packaging," her arguments later centered on its lack of recyclability.

AB 925 (Laurie Saldana, D-San Diego), a ban on unattached container caps on single-use beverage containers, was also passed to the Senate.

PAPER MYTHS

With the focus of environmental groups on Do Not Mail campaigns, it is a good opportunity to arm ourselves with some

NEW SALES TAX RATES - JULY 1, 2009

Voters in Los Angeles County approved a new 0.50% district tax in the November 2008 election which will increase their tax rate to 9.75%. Due to currently existing district taxes, the cities listed below in Los Angeles County will have a higher tax rate. Also, the City Council of Laguna Beach located in Orange County voted to repeal the 0.50% Temporary Transactions and Use Tax prior to its scheduled end date lowering their tax rate to 8.75%.

DISTRICT TAX AREA	COUNTY	ACRONYM	CODE	TOTAL TAX RATE EFFECTIVE JULY 1, 2009
Los Angeles County	Los Angeles	LAMT	218	9.75 %
*Avalon	Los Angeles	AMHC	219	10.25 %
*El Monte	Los Angeles	EMGF	222	10.25 %
*Inglewood	Los Angeles	IGWD	220	10.25 %
*Pico Rivera	Los Angeles	PCRV	223	10.75 %
*South Gate	Los Angeles	SGTE	221	10.75 %
Laguna Beach	Orange	LGBH	135	8.75 %

** This city currently has a district tax. The total tax rate in this city will increase by 0.50% due to the new district tax in Los Angeles County. All other cities and unincorporated areas in Los Angeles County will have a total tax rate of 9.75%.*

facts about paper and the environment. For example, according to the Technical Association of the Pulp and Paper Industry (TAPPI),

- The cutting down of trees for papermaking does not lead to deforestation. Deforestation is the permanent clearing of trees for purposes such as creating farmland and pasture land, for commercial and residential development, or for any other use for which trees are cut and not allowed to grow back. Unfortunately, deforestation is occurring in many parts of the world, especially in the tropics. This deforestation is mainly due to population pressure. In most of these cases, forests are cut down and burned for domestic fuel (heating homes and cooking) or to clear land for farming.

- Only about 17% of the 3.3 billion cubic meters of wood consumed worldwide each year is for papermaking, and much of this wood is in the form of wood chips and other residue left behind from sawmill operations. Over half of the wood harvested in the world is used for fuel, mostly for cooking and domestic heating.
- Most of the raw material used in paper manufacturing in the U.S. does not come from whole trees. Over half comes from recovered paper and the wood waste (such as wood chips and sawdust) left behind from lumber manufacturing.

You can find more facts about paper and the environment at the TAPPI website at (<http://www.tappi.org/paperu>).



Affiliated Associations:

Printing Industries of California

Printing Industries of Northern California www.pinc.org

Printing Industries Assn. Inc. of Southern California www.piasc.org

Printing Industries Assn. of San Diego, Inc. www.piasd.org

(323) 728-9500

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SCAQMD AMENDMENT 317 STALLS

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 June 5 to continue the hearing until July 3.

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.

SCAQMD Executive Officer, Barry Wallerstein, made the continuation request since EPA, through his prodding, would soon decide the acceptability of the Best Available Control Technology (BACT) exemption contained in the San Joaquin Valley's non-attainment fee rule. EPA decision would then address the legitimacy of the BACT exemption SCAQMD rule—and exemption that Printing Industries of California and other business groups convinced Board members to include in the rule.

SCAQMD staff apparently anticipates that the San Joaquin program will be disapproved and that would then remove the BACT exemption from its own rule. This, in turn, would negate all the hard work by industry groups in crafting a Non-Attainment Fees rule that recognizes the cleanest industry in the country, if not the world.

In the interim, we'll continue to work with our coalition partners to craft an alternative in case the BACT provision is shot down. If you have any questions, please contact Gerry Bonetto at Ext. 248.

UNEMPLOYMENT INSURANCE FUND

You might have heard that the Unemployment Insurance Fund is at the point of insolvency. The UI Fund balance was \$326.2 million at the end of 2008. The UI Fund is projected to have a \$6.2 billion deficit at the end of 2009 and a \$17.8 billion deficit at the end of 2010 if changes are not made to the financing structure.

CALIFORNIA CAMPAIGN FUNDING

It's not easy to get our arms around the amount of money contributed to political candidates and committees. Once we do, however, the numbers, taken from the National Institute on Money in State Politics (www.followthemoney.org) are staggering. The amount spend in the 2007-08 election cycle, the last for which we have complete data, is \$712,450,824. Over half the expenditures went to fund ballot initiatives. Here are the numbers:

Table 1 Candidates

Office	# of Total	Candidates	Average Spent
Governor		No Active Candidates	
Other Statewide		No Active Candidates	
Assemble	\$84,473,156	236	\$357,937
Senate	\$35,170,551	59	\$596,111

Table 2 Other Candidates and Committees

*Incumbents – No up for Election	\$44,086,592
Ballot Measure Committees	\$487,797,046
Party Committees	\$60,923,479

**Gubernatorial and other candidates whose terms exceed two years may have raised money in an election cycle when they are not up for re-election. The totals in the above chart reflect only money raised in the last, two year election cycle.*

Unemployment levels are projected to be 2,088,000 in 2009 and 2,218,000 in 2010, compared to the actual unemployment level of 1,332,000 in 2008.

Beginning January 26, 2009, California began borrowing from the Federal Government to pay UI benefits. As part of the American Recovery and Reinvestment Act (ARRA), interest owed on borrowed funds will be waived for 2009 and 2010. Interest will begin accruing on January 1, 2011 and repayment to the Department of Labor would need to occur no later than September 30, 2011.

It doesn't take a lot of imagination who the legislature will target to make up the deficit. Hold on to your wallets.

ECONOMISTS AND CLIMATE CHANGE

More than 100 economists have banded together to launch www.RealClimateEconomics.org, an effort dedicated to using the weight of economic evidence to support effective public policy and business responses to the climate crisis.

RealClimateEconomics.org launched with

a new report from several of its members on interstate differences in per capita greenhouse gas emissions. The report explains why some states have much lower emissions than others and helps clarify the potential regional impacts of policies, such as cap-and-trade, which will impose a price on energy-related carbon dioxide emissions.

The key conclusions from the new report include:

- A few states stand out as having energy-related emissions around half the national average of 21 metric tons of CO2 each year. Those states, in order are: Vermont, New York and Oregon (tie for second), Rhode Island, California, and Washington (tie for third). These states provide a U.S. lifestyle with European levels of greenhouse gas emissions—roughly comparable to those of Belgium, Denmark, Germany, Ireland, Japan, and the United Kingdom.
- On the other end of the spectrum, Alaska, Wyoming, North Dakota, and Louisiana all emit more than twice the national per capita average (for energy-related emissions). Kentucky, Indiana and West Virginia are not far behind.