



## FUTURE MEETINGS:

To be announced.

## DEPARTMENT OF SAVINGS AND LOAN

*Commissioner: William J. Crawford*

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The Department of Savings and Loan (DSL) is headed by a commissioner who has "general supervision over all associations, savings and loan holding companies, service corporations, and other persons" (Financial Code section 8050). DSL holds no regularly scheduled meetings, except when required by the Administrative Procedure Act. The Savings and Loan Association Law is in sections 5000 through 9001 of the California Financial Code. Departmental regulations are in Title 10, Chapter 2, of the California Administrative Code.

### MAJOR PROJECTS:

*Department Policies.* The Department continues to follow its policy regarding the opening of new savings and loans institutions. (For more information, see CRLR Vol. 7, No. 1 (Winter 1987) pp. 72-73.) Very few applications for new savings and loan institutions are being approved, although applications for branch offices of existing institutions are approved with regularity.

*Appraisals of Real Property.* Effective September 26, 1986, Financial Code section 7500 was amended to provide that "no investment in real property or a real estate loan shall be made [by a savings association] until a qualified person or persons engaged directly by the association and approved by the board of directors have made a physical inspection and submitted to the association a fully documented appraisal of the real estate that would secure the loan or constitute the investment, or, in the case of a purchased loan, the person or persons have reviewed and approved an appraisal report in support of the loan." On December 10, the Commissioner issued a memorandum to all state savings and loan associations, stating that the amendment has elicited concern as to its effect on the ongoing relationship between associations and mortgage brokers.

The Federal Home Loan Bank Board's new section 563.17-1 of its regulations appear to give federal asso-

ciations an advantage over state associations because the rule specifies that the lender is permitted to request the appraisal through an agent, while new section 7500 does not provide such specific authority. Although section 7500 does not directly refer to the term "agent," the Commissioner stated the Department's position that an agent of the association may be permitted to request an appraisal for the association, provided the appraisal conforms to all requirements of section 7500 and the guidelines set forth in the Federal Home Loan Bank Board's Memorandum R41C.

### LEGISLATION:

*AB 247 (Bane)* would repeal an existing provision which prohibits the sale or offer for sale to the public of any stock of a savings association without a permit from the Savings and Loan Commissioner. Additionally, existing law provides that an application to establish a branch office of a savings association may be denied on the basis of restrictions imposed by the Savings and Loan Commissioner, pursuant to

an agreement with the Federal Home Loan Bank Board. AB 247 would delete this provision. The bill was referred to the Committee on Finance and Insurance on February 9, 1987.

*SB 295 (Yuich)* would revise an existing provision relating to the filing of merger or consolidation agreements under the Savings Association Law. Under SB 295, the agreement and the respective certificate of each constituent association or any other corporation and of the surviving association would be filed with the Secretary of State, upon which occurrence the merger or consolidation would become effective. The bill would also require that duly appointed and qualified appraisers perform certain functions before a savings association may invest in real property or a real estate loan.

*AB 469 (Calderon)* would authorize a commercial bank or savings association to own or control any insurer which meets specified conditions and to participate as an underwriting member or as an investor in an underwriting member of any reciprocal or interinsurance exchange meeting specified criteria.



## DEPARTMENT OF INDUSTRIAL RELATIONS

### CAL-OSHA

*Director: Ronald T. Rinaldi*  
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California's Occupational Safety and Health Administration (Cal-OSHA) is an integral part of the cabinet-level Department of Industrial Relations. It administers California's program ensuring the safety and health of California's wage-earners.

Cal-OSHA was created by statute in October 1973 and its authority is outlined in Labor Code sections 140-49. It is approved by, monitored by and receives some funding from the federal OSHA.

The Occupational Safety and Health Standards Board (OSB) is a quasi-legislative body empowered to adopt, review, amend and repeal health and safety orders which affect California employers and employees. Under section 6 of the Federal Occupational Safety and

Health Act of 1970, California's safety and health standards must be at least as effective as the federal standards within six months of the adoption of a given federal standard. Current procedures require justification for the adoption of standards more strenuous than the federal standards. In addition, OSB may grant interim or permanent variances from occupational safety and health standards to employers who can show that an alternate process would provide equal or superior safety to their employees.

The seven members of the Board are appointed to four-year terms. Labor Code section 140 mandates the composition of the Board as two members from management, two from labor, one from the field of occupational health, one from occupational safety and one from the general public.

The duty to investigate and enforce the safety and health orders rests with



# REGULATORY AGENCY ACTION

the Division of Occupational Safety and Health (DOSH). DOSH issues citations, abatement orders (granting a specific time period for remedying the violation) and levies civil and criminal penalties for serious, willful and repeated violations. In addition to making routine investigations, DOSH is required by law to investigate employee complaints and any accident causing serious injury and to make follow-up inspections at the end of the abatement period.

The Cal-OSHA Consultation Service provides on-site health and safety recommendations to employers who request assistance. This consultation guides employers in adhering to Cal-OSHA standards without the threat of citations or fines.

The Hazard Evaluation System and Information Service (HESIS) was developed to provide employers and workers with up-to-date critical information on the health effects of toxic substances and methods for using these substances.

The Appeals Board adjudicates disputes arising out of the enforcement of Cal-OSHA's standards.

## MAJOR PROJECTS:

*Elimination of Private Sector Enforcement.* Governor Deukmejian has proposed the elimination of Cal-OSHA's private sector enforcement duties in his 1987-88 budget. (See CRLR Vol. 7, No. 1 (Winter 1987) pp. 73-74.) This action could put approximately 360 of the 620 Cal-OSHA employees out of work.

The Governor has justified the budget cut, which would save the state approximately \$8 million, by emphasizing that Cal-OSHA standards basically duplicate federal OSHA standards. The plan would also create a new division in the Department of Industrial Relations that would be responsible for overseeing the safety of state and local government work sites. Cal-OSHA's Consultation Service would be retained to provide advice on safe work practices to employers and employees.

Opponents of the proposal claim that the proposal will weaken or even eliminate many protections currently provided to oil workers, loggers, crane operators, and construction workers. It is possible that workers' compensation costs will rise. Finally, Cal-OSHA's Bureau of Investigation, which has the specific mandate to provide information to the district attorney on cases which may warrant criminal prosecution, would be eliminated. Federal OSHA has

no counterpart to provide information to local prosecutors.

Opponents also emphasize protections provided under state law which are not afforded by federal law. For example, Cal-OSHA prohibits the use of the short-handled hoe in field work; federal OSHA has no such prohibition. Cal-OSHA demands, through the Occupational Carcinogens Control Act, that employees be informed of any cancer-causing substances used on the work site. Federal OSHA has no such regulation. Finally, Cal-OSHA has set permissible exposure limits on 170 widely-used toxic substances. Federal OSHA has set no such limitations.

Assemblymembers Greene and Floyd have announced a series of hearings to determine the impact of the budget proposal.

## LEGISLATION:

*AB 435 (Floyd)* was referred to the Committee on Labor and Employment on February 18. Existing law requires DOSH to investigate the complaint of an employee that a place of employment is unsafe within three working days if the Division determines that the complaint charges that there is substantial probability that death or serious physical harm could result. This bill would also require the Division to investigate an employee's complaint within three working days if there is a substantial probability that serious exposure, as defined, could result.

Existing law also requires the Division to furnish an employee requesting a review of any refusal by the Division to issue a citation with respect to an alleged violation with a written statement of the reasons for the Division's final disposition of the case. AB 435 would require that the written statement include notice that if the employee or the representative of employees still believes that a violation of the law has taken place, he/she may contact the local district attorney, city attorney, or the Attorney General.

*AB 812 (Floyd)* would also change DOSH investigation deadlines. Existing law provides that whenever DOSH receives a complaint from an employee, an employee's representative, or an employer that a place of employment is not safe, it shall summarily investigate as soon as possible, but not later than three working days after receipt of a complaint charging a serious violation, and not later than fourteen days after receipt of a complaint charging a non-serious violation.

This bill would instead require DOSH to investigate these complaints not later than 24 hours after receipt of a complaint charging an imminent hazard or charging a serious violation the existence or evidence of which is short-lived, and not later than three working days after receipt of any other complaint charging a serious violation, and not later than fourteen days after receipt of a complaint charging a non-serious violation.

This bill would also define the term "employee representative" for these purposes.

*AB 438 (Tanner)* was referred to the Committee on Labor and Employment on February 18, and would require the Division to study the need for video display terminal-related standards and report to the OSB on or before July 1, 1988, with recommendations. It would also require the Division to appoint an advisory committee for this purpose composed of certain qualified individuals.

*AB 867 (Floyd)* would require that on or after July 1, 1989, every computer video display terminal and peripheral equipment used in any place of employment be in conformance with all applicable design and ergonomic standards adopted by the American National Standards Institute. The bill would apply only to equipment manufactured on or after January 1, 1989.

## RECENT MEETINGS:

At OSB's meeting in Los Angeles on January 22, a public hearing was held on proposed changes to various sections of safety orders in Title 8 of the California Administrative Code.

Various grammatical changes were made to Title 8, Unfired Pressure Vessel Safety Orders, Articles 1 through 4, sections 450-467, concerning the relocation of construction regarding various pressure vessels for convenience of the public. The amendment to subsection (2)(a) would require the air compressor units to have a reciprocating compressor and a driving unit over five horsepower mounted on the air tank. Public testimony was heard regarding concern over the increase from two horsepower to over five horsepower. The record was left open on this issue to consider additional data.

OSB discussed proposed changes in language to Title 8, Construction Safety Orders, Article 4 regarding helicopter operators. The language states that the helicopter shall be required to deposit or lift loads in the center of a cleared



area. The meaning of the term "cleared" will be interpreted and explained.

OSB also discussed the meaning of language in Title 24, Part 5. The Board required a definition of liquefied petroleum gases (LPG), and an interpretation of "artificial heat." The staff will work on these requests.

During OSB's business meeting, the Board adopted several proposed safety orders, including Title 8, Articles 80-88, sections 4794-4848 and Title 24, Part 6 regarding gas systems for welding and cutting; Title 8, Elevator Safety Orders, Article 17, sections 3097(d)(1)(B) through 3099 and Title 24, Part 7 regarding manlifts; and Title 8, Article 10.0, section 3403(b) regarding head protection and section 3407(c) regarding hand and wrist protection.

OSB also considered several petitions. Petition No. 230, brought by the San Francisco Fire Fighters, requested the development of safety standards for aerial ladders used by fire departments. The Board will consider this request in further detail; no action was taken.

The second petition, No. 233, was brought by Associated General Contractors of California and requested an amendment to the General Industry Safety Orders, section 5155(f) regarding airborne contaminants. The Board voted to grant this petition.

Petition No. 234 was brought by the U-See Video Systems and requested an amendment to the Construction Safety Orders, section 1592 regarding warning methods (back-up alarms). The Board denied this petition.

The fourth petition, No. 235, was brought by TOL Incorporated, and requested a new regulation regarding the use and manufacture of orchard manlifts. The Board granted this petition.

Petition No. 236 requested a new regulation regarding the hazards of avalanche control. The Board also granted this petition.

The sixth petition, which was a consolidation of Nos. 237 and 242, requested an amendment to the Construction Safety Orders, section 1512(d), and the General Industry Safety Orders, section 3400(c), regarding emergency medical services and first aid. The Board granted this petition.

The last petition, No. 239, was brought by the County of Los Angeles, and requested an amendment to the Construction Safety Orders, section 1710(b), regarding an erection guide for trusses and beams over 25 feet long. The Board granted this petition.

On February 19 in San Francisco,

the OSB held a public meeting at which Ann Miley, representing the International Brotherhood of Electrical Workers Local 1245, and Joel Foss, representing the Industrial Union of Marine and Shipbuilder Workers Local 9, expressed their concern over the possibility that Cal-OSHA may be abolished. Ms. Miley stated that organized labor generally believes that the abolition of Cal-OSHA would be a major error. Mr. Foss stated that the workers in his industry recognize a clear difference between Cal-OSHA and federal OSHA, and prefer that Cal-OSHA be retained. Both Ms. Miley and Mr. Foss stated that organized labor is gearing up to fight the Governor's proposal to abolish Cal-OSHA.

OSB also held a public hearing on proposed changes to Title 8, Ship Building, Ship Repairing and Ship Breaking Safety Orders, Articles 1-10, sections 8345 through 8399, Appendix A and New Appendix B (SBSO). Consistent with the AB 1111 review, OSB is deleting regulations from SBSO which duplicate those in other safety orders, such as General Industry Safety Orders which also apply to shipbuilding.

Joel Foss, testifying for his union, argued that the proposed changes would

cause confusion as to applicable safety orders for the shipbuilding industry. Presently, the SBSO are contained in one set of regulations which fit neatly into a pocket-sized booklet. According to Mr. Foss, this booklet is a clear and necessary reference for shipyard employees and union representatives who police the shipbuilding industry. He believes that scattering applicable regulations among different sets of safety orders will cause difficulty and inconvenience for those who must apply and enforce the regulations.

Chairperson Mary-Lou Smith suggested that the shipbuilders union compile all applicable regulations from the different sets of safety orders into one document. Mr. Foss countered that it is Cal-OSHA's job to create rules and to make them accessible. Staff member John Bobis agreed with Mr. Foss, but pointed out that these changes are required by law. Board member Jere Ingram suggested that Mr. Foss' complaints are more properly directed at AB 1111.

#### FUTURE MEETINGS:

May 21 in Los Angeles.

June 25 in San Francisco.



## DEPARTMENT OF FOOD AND AGRICULTURE

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The Department of Food and Agriculture (CDFA) promotes and protects California's agriculture and executes the provisions of the Agriculture Code which provide for the Department's organization, authorize it to expend available monies and prescribe various powers and duties. The legislature initially created the Department in 1880 to study "diseases of the vine." Today the Department's functions are numerous and complex.

The Department works to improve the quality of the environment and farm community through regulation and control of pesticides and through the exclusion, control and eradication of pests harmful to the state's farms, for-

ests, parks and gardens. The Department also works to prevent fraud and deception in the marketing of agricultural products and commodities by assuring that everyone receives the true weight and measure of goods and services.

The Department collects information regarding agriculture, and issues, broadcasts and exhibits that information. This includes the conducting of surveys and investigations, and the maintenance of laboratories for the testing, examining and diagnosing of livestock and poultry diseases.

The executive office of the Department consists of the director and chief deputy director who are appointed by the Governor. The director, the executive officer in control of the Department, appoints two deputy directors, one of whom serves as legislative liaison and as executive secretary of the Board of Food and Agriculture. In addition to