

ALERT

CALIFORNIA CHAMBER OF COMMERCE

VOLUME 32, NUMBER 4 • FEBRUARY 3, 2006



Assembly Approves Bill Slowing Affordable Housing



After considerable debate, the Assembly last week narrowly passed a bill that will slow development of affordable housing.

California Chamber-opposed AB 802 (Wolk; D-Davis) passed on a 41-34 vote.

The Chamber considers AB 802 a “job killer” because it slows development of affordable housing and increases opportunities for unnecessary litigation by placing vague and redundant conditions on land use in California as a purported means to enhance flood protection.

Currently, California is failing to meet the demand for affordable housing for its residents, causing difficulties for employers trying to attract and retain workers. AB 802 would magnify this problem.

Vague, Redundant Language

Introduced in 2005 and defeated on the Assembly floor last May, AB 802 re-emerged this year with amendments that

failed to address the significant problems the Chamber and a coalition of building industry groups had identified.

For example, AB 802 requires local governments to assess the risk to life and property from “reasonably foreseeable flooding,” but fails to define what is included in such an assessment.

This requirement is complicated by the bill’s definition of “reasonably foreseeable flooding” as having a 1 in 200 chance of occurring in any given year. This definition creates a 200-year flood-protection standard not recognized for purposes of floodplain mapping by either the state Water Resources Department or Federal Emergency Management Agency.

Such vague and ambiguous language simply complicates the land-use decision-making process and fails to provide greater flood protections for Californians.

AB 802 also seeks to rewrite existing law that already provides for flood protection. For decades, pursuant to three elements of the general plan and the California Environmental Quality Act, local governments have been required to assess

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Chamber President Co-Chairs Committee to Oppose Workers’ Comp Initiatives

California Chamber of Commerce President Allan Zaremberg will co-chair the committee opposing three pending workers’ compensation ballot initiatives that would roll back 2004 reforms to the system.

“The passage of workers’ compensation reform in 2004 was a critical step forward for small businesses in California and helped produce and preserve thousands of jobs in our state,” said Zaremberg.

“The ballot initiatives would eviscerate those reforms, resulting in massive increases in workers’ compensation costs, and sending our economy into a tail spin. We will rally California’s entire business community to preserve the reforms and will wage a vigorous campaign against these job killer initiatives,” he said.

Joining Zaremberg as co-chairs of the Californians Against the Job Killer Initiative committee are Joel Fox, president, Small Business Action Committee; and Suzanne Guyan, director of employee benefits for Costco Wholesale Corp.

Broad Impact

The committee is pointing out that in addition to business, school districts, cities, counties and non-profits will suffer if the reforms are overturned and workers’

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Cal/OSHA Corner

Cal/OSHA Revises Oxygen, Fuel Gas Cylinder Storage Distances



Mel Davis
Cal/OSHA Consultant

Are there specific separation distances stated within the General Industry Safety Orders for oxygen and fuel gas cylinder storage?

The Cal/OSHA Standards Board has revised section 4650(d) of the General Industry Safety Orders (GISO), which is

specific to the storage of oxygen cylinders.

Specific Definitions Requested

By memorandum to the Board dated January 16, 2003, Suzanne P. Marria, acting chief deputy director, Division of Occupational Safety and Health (Cal/OSHA), requested the revision.

The request noted the regulation, as written, lacked specificity in defining terms, such as storing an oxygen cylinder “near” combustible material and what constitutes “sufficient separation distances” from combustible materials (for example, oil, grease).

Regulatory Inconsistency

Additionally, Cal/OSHA pointed out that section 1740(g) of the Construction Safety Orders contained specific distance requirements for the storage of oxygen cylinders in the proximity of fuel gas cylinders and combustible materials and was practically verbatim of federal OSHA standards 29 CFR 1926.350(a) and 1910.253(b)(4)(iii).

The federal standards are based upon National Fire Protection Association (NFPA) 51-7-1997 and Compressed Gas Association Pamphlet P-1984, publications that are both national consensus and industry standards.

Changes Made to Regs

Effective January 6, 2006, oxygen cylinders are to be stored a minimum of 20 feet from fuel gas cylinders or combusti-

ble materials. However, that distance can be reduced if the oxygen cylinder(s) are separated from fuel gas cylinders and/or combustible materials by a one-half hour fire-rated non-combustible barrier at least 5 feet tall.

By this adoption, the Board has made section 4650(d) consistent with the federal regulations and industry standards. Also, the regulation is now consistent with the California Fire Code, which is based on the NFPA consensus standards.

It should be noted this revised regulation in no way affects the historic practice of having an oxygen and acetylene cylinder side-by-side when in use or as set up for welding and cutting operations.

The Labor Law Helpline is a service to California Chamber preferred and executive members. For expert explanations of labor laws and Cal/OSHA regulations, not legal counsel for specific situations, call (800) 348-2262 or e-mail: helpline@calchamber.com.

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Alert (ISSN 0882-0929) is published weekly during legislative session with exceptions by California Chamber of Commerce, 1215 K Street, Suite 1400, Sacramento, CA 95814-3918. Subscription price is \$199 paid through membership dues. Periodicals Postage Paid at Sacramento, CA.

POSTMASTER: Send address changes to Alert, 1215 K Street, Suite 1400, Sacramento, CA 95814-3918. Publisher: Allan Zaremborg. Executive Editor: Ann Amioka. Associate: Trina Filan. Art Director: Andrew Larsen. Graphics Assistant: Jason Untalan. Capitol Correspondent: Christine Haddon.

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Seminars/Trade Shows

For more information on the seminars listed below, visit www.calchamber.com/events.

Business Resources

Tech Start-Up and Angel-Funded Jobs. Wilcox Miller & Nelson. February 14, North Sacramento. (916) 977-3700.

Labor Law

Labor Law Update Seminar. California Chamber of Commerce. February 7 - Sacramento. (800) 331-8877.

Labor Law Web Seminar. California Chamber of Commerce. February 21. (800) 331-8877.

International Trade

Global California — Doorstep to the World. Monterey Bay International Trade Association. February 16, Sacramento. (831) 335-4780.

Chamber Calendar

Water Committee:

February 23, Anaheim
Transportation Committee:

February 23, Anaheim
Public Policy Committee:

February 23, Anaheim
Fundraising Committee:

February 23, Anaheim
Board of Directors:

February 23-24, Anaheim
Tourism Committee:

February 24, Anaheim

**California Business
Legislative Summit**
April 25, Sacramento



Proposition 82 Takes Flawed Approach



The California Chamber of Commerce is leading a broad-based and growing coalition of educators, private preschool provid-

ers, business groups, minority groups and taxpayer organizations opposing Proposition 82, Rob Reiner's initiative on the June 2006 ballot that would increase personal income taxes to fund a new, government-run preschool program.

While expanding educational opportunities is a laudable goal, this initiative creates a complicated, costly government bureaucracy and is an inefficient use of the \$2.4 billion raised from taxpayers and small businesses.

Reasons to Oppose

After reviewing the facts, the majority of local chambers are coming out in opposition to this seemingly well-intentioned but flawed measure. Here's why:

- **There are more important uses for limited state resources, like K-12 schools.**

With California facing chronic budget deficits and a shortage of funding for existing important programs, we *should not* be creating a new, multibillion-dollar preschool bureaucracy.

Currently, 66 percent of preschool age children attend preschool in California. Proposition 82 aims to bring enrollment to 70 percent. That's \$2.4 billion per year for a 4 percent increase in preschool enrollment — hardly a wise use of limited taxpayer dollars!

We should fix the problems we have with our current K-12 system before spending \$2.4 billion annually in limited resources to create an unnecessary and duplicative new preschool bureaucracy.

The Legislative Analyst predicts this program will cost as much as \$8,000 per student for a part-time, three-hour-per-day program. That's almost as much as we currently spend for full-day instruction for K-12 students!

California taxpayers already spend more than \$3 billion each year to subsidize preschool for low-income children in the state. Rather than raising \$2.4 billion in new taxes and creating an entirely new bureaucracy, a more fiscally prudent use of resources would be to expand the preschool opportunities for lower-income children and families most in need.

For example, the Chamber Board was moved by a recent presentation from two

Commentary

By Allan Zarembeg

superintendents of public school districts in the greater Bakersfield area. Their districts had developed a five-week preschool program for children just before they enter kindergarten. The children are taught by certificated teachers in existing facilities at a cost of no more than \$350 per child. The academic results of children in this program are consistent with those of other preschool attendees.

Clearly, there are affordable, successful alternatives, and all these should compete in the legislative budget process for scarce resources.

- **The measure fails to focus on expanding preschool availability for those children most in need.**

According to an analysis by respected former Legislative Analyst William Hamm, only 9.4 percent of funding from the new program will go to enroll "high risk" kids in preschool who otherwise wouldn't have gone — those children from lower-income families or children that historically have shown achievement gaps.

All the academic evidence (even the RAND report cited by the proponents) shows that lower-income, minority and high-risk children benefit most from preschool. We should target limited resources to help those kids most in need.

- **Proposition 82 would reduce existing funding for schools, roads and other state programs and services, and could cost all taxpayers!**

History shows that raising taxes on higher earners causes them to change their investment patterns to avoid the increased taxes. The personal income tax is now

more than 50 percent of state General Fund budget revenue. Only 11 percent of California taxpayers pay 73 percent of this tax.

Proposition 82 imposes an 18 percent increase in the personal income tax rate currently paid by higher earners and will have a significant negative impact on revenues for other important programs such as schools, public safety, transportation and health care.

What's more, it is highly likely that the new bureaucracy will cost much more than the \$2.4 billion per year the proponents claim this tax will raise. When program costs exceed tax revenues, the Legislature will be forced to either raise taxes again or start charging parents of preschool kids.

In fact, hidden in the fine print of this measure is a provision that allows the state to assess user fees for parents with kids in this preschool program if the program runs out of money. A new *parent tax!*

- **Small businesses targeted.**

This increase in personal income taxes for those earning \$400,000 or more will be particularly harmful to small businesses, the backbone of our economy. According to the California Taxpayers' Association, 80 percent of California businesses pay taxes under the personal income tax.

The government-run preschool bureaucracy will also shut down thousands of private, community-based preschools that currently enroll nearly half of all children in California preschools — replacing thriving businesses that provide jobs and tax revenue with a government-run program.

Join Coalition

The groups opposing Proposition 82 support expanding educational opportunities and enhancing the availability of preschool for more children, particularly those most in need. However, Proposition 82 is riddled with problems, creates a new and unnecessary large bureaucracy at the expense of small businesses, and will not serve our children or our state well.

We hope you will join us in opposing Proposition 82. Go to www.stopreiner.org for more information and to sign up in opposition to this flawed measure.

Allan Zarembeg is president and chief executive officer of the California Chamber of Commerce.

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flood risks and assign appropriate mitigation.

In addition, the Chamber is concerned with a “catch-all” requirement in the bill that will create new litigation opportunities for opponents of growth. That provision requires, local governments’ flood-risk assessments to include “anything else deemed necessary to implement effective flood management and public safety.” This lan-

guage opens the door to opponents wishing to obstruct the land-use planning process.

The Chamber opposes efforts to tie up development projects with vague, litigation-friendly language. The focus should be on streamlining the general plan process, not making it more expensive, litigious and cumbersome.

Key Vote

AB 802 passed the Assembly on a 41-

34 vote, with most Democrats voting for the bill.

Joining all Republicans in opposing the bill were Matthews (D-Tracy) and Parra (D-Hanford).

Absent/abstaining/not voting: Baca (D-Rialto); Bass (D-Los Angeles); Calderon (D-Montebello); Canciamilla (D-Pittsburg); Negrete McLeod (D-Chino).

Staff Contact: Valerie Nera

Bill That May Worsen State Air Quality Gets Assembly OK



California Chamber-opposed “job killer” legislation passed the Assembly this week on a 45-33 vote after failing passage in 2005.

AB 1430 (Goldberg;

D-Los Angeles) limits job creation and may worsen the state’s air quality problems by making it increasingly difficult to implement emissions reduction programs, which provide balance between job growth and the environment.

Widely Supported Tool

The Chamber believes these emissions reduction programs are essential for air

districts to meet their state and federal Clean Air Act obligations.

The success of emission reduction trading programs has garnered broad-based support from business, regulators, environmentalists and the public. The flexibility afforded by these programs allows them to succeed.

Emissions reduction trading programs are a cost-effective tool that should be a part of California’s air quality attainment strategy. The Chamber is committed to working with the Legislature, regulators, environmentalists and the public to support programs that achieve measurable and cost-effective emissions reductions.

In June 2005, AB 1430 was defeated on a 26-37 vote before the roll call was

expunged from the record at the request of the bill’s author. At the author’s request, the bill was placed on the Assembly Inactive File. Last month, the author removed the bill from the inactive file.

The bill awaits assignment to a Senate policy committee.

Key Vote

AB 1430 passed the Assembly on a 45-33 vote, with most Democrats voting for the bill.

Joining all Republicans in opposing the bill was Parra (D-Hanford).

Absent/abstaining/not voting: Bass (D-Los Angeles) and Canciamilla (D-Pittsburg).

Staff Contact: Amisha Patel

Legislation Impeding Goods Movement Passes Assembly



A California Chamber of Commerce-opposed “job killer” bill barely passed the Assembly this week on a 43-32 vote.

AB 1101 (Oropeza; D-Long Beach)

hampers operations at ports, railyards and airports by shifting regulatory authority over mobile emissions from state to local entities, creating a patchwork of potentially inconsistent regulations statewide and conflicts with federal law.

AB 1101 would give air quality management districts, rather than the California Air Resources Board (CARB), regulatory authority over “diesel magnet sources” — stationary operations involv-

ing high levels of diesel traffic or diesel engine use, including ports, railyards and airports.

The proposed shift in regulatory authority over the emission sources is inconsistent with current state policy. Further, it is unclear how the bill’s requirements would interact with CARB’s ongoing effort to reduce emissions around the state and at ports in particular.

Federal Guideline Conflicts

AB 1101 attempts to require the “magnet source” to control or limit emissions from federally regulated sources over which it does not have control, such as ships or trains. This conflict with federal law would, if passed, most likely make AB 1101 impossible to enforce.

Before the Assembly voted, Assemblywoman Jenny Oropeza said she is looking forward to working with the opposition on the bill’s jurisdictional issues.

The bill awaits assignment to a Senate policy committee.

Key Vote

AB 1101 passed the Assembly on a 43-32 vote, with most Democrats voting for the bill.

Joining most Republicans in opposing the bill were Matthews (D-Tracy) and Parra (D-Hanford).

Absent/abstaining/not voting: Canciamilla (D-Pittsburg); Cohn (D-Saratoga); Garcia (R-Cathedral City); Richman (R-Northridge); Vargas (D-San Diego).

Staff Contact: Amisha Patel

36 Chamber Members Make *Fortune* '100 Best Companies to Work For' List

Thirty-six members of the California Chamber of Commerce have been ranked among the "100 Best Companies to Work For" by *Fortune* magazine.

California-based companies had the greatest representation, with 16 making the list. Twenty-nine states, the District of Columbia, and Ontario, Canada, have companies in the ranking.

Companies nominate themselves by submitting to a detailed application process. Two-thirds of each company's score relies on a 57-question employee survey that covers such topics as employee attitude toward management, camaraderie and job satisfaction.

Factors such as company demographics, pay and benefits make up the rest of the score.

Companies must be at least seven years old and have at least 1,000 employees to qualify. For this year's list, 1,500 companies applied, and 466 went through the full process.

'Best' Members

The following Chamber members made *Fortune* magazine's list of the "100 Best Companies to Work For." Company headquarter locations are noted in parentheses:

- **Alcon Laboratories (Fort Worth, TX).** Ranked 32. Alcon is a global pharmaceutical company specializing in optical products and vision care. The company offers employees 100 percent tuition reimbursement, a 24-hour low-cost fitness center and six annual excellence awards (\$8,000 each).

- **American Express (New York, NY).** Ranked 37. Employees who have worked 12 to 24 months in one position can apply to rotate to a different job — even if it's in a different country. An ombudsperson office has been created to handle confidential complaints.

- **Amgen (Thousand Oaks).** Ranked 39. Amgen is in the top 10 percent of all U.S. companies in all industries for paid time off, including 16 paid holidays, vacation time, and adoption and leave-of-absence benefits. It offers a comprehensive health benefits package with 90 percent company contribution and an

automatic 5 percent 401(k) contribution with 5 percent match.

- **Bingham McCutchen (Boston, MA).** Ranked 82. An international law firm, Bingham McCutchen ranked third on *Fortune's* list for average pay. The firm honors its non-lawyer staff with an annual staff appreciation week and sends out gift baskets for new babies and weddings.

- **Booz Allen Hamilton (McLean, VA).** Ranked 72. A strategy and technology consulting company, Booz Allen Hamilton has partnered with Johns Hopkins University to help 100 employees obtain an MBA. The company also offers an in-house university, comprehensive health benefits (including health screening and fitness programs), flexible work arrangements and on-site child care.

- **Bright Horizons (Watertown, MA).** Ranked 94. Bright Horizons provides child care services to more than 90 *Fortune* 500 companies. It offers employees continuing education and tuition reimbursements, 50 percent discounts on child care and access to a variety of unique amenities provided by the company's corporate sponsors.

- **CarMax (Richmond, VA).** Ranked 93. Cars that have been on a CarMax lot longer than 14 days are offered to employees at \$200 over cost. In addition to health, life, retirement and education benefits, this "no haggle" auto retailer donates \$10 per hour to non-profit organizations with which its employees volunteer.

- **CH2M Hill (Denver, CO).** Ranked 80. This employee-owned engineering and construction firm not only provides traditional benefits, but also offers alternative work schedules, telecommuting, group homeowners' and auto insurance, and an employee credit union. Nearly two-thirds of the company's employees have been there for 10 years.



- **Cisco Systems (San Jose).** Ranked 25. Employees with this high-tech and networking systems provider have monthly breakfast meetings with the company's chief executive officer at which he encourages them to ask him tough questions. He also meets with new employees to welcome them soon after they are hired.

- **Container Store (Coppell, TX).** Ranked 6. A retailer of storage and organizational products, this company offers bonuses to all employees

and rewards drivers for long service and safe driving records. The Container Store also offers training and leadership development and a generous benefits package.

- **Eli Lilly (Indianapolis, IN).** Ranked 52. Eli Lilly offers a variety of free health screening services, an on-site clinic and child-development center, as well as flex-time, maternity and paternity leave, educational leave and assistance. In 2004, the company paid more than \$3.4 million in U.S. child care expenditures.

- **Ernst & Young (New York, NY).** Ranked 67. Anthony K. Anderson, area managing partner in Los Angeles, is a Chamber Board member. A "Big Four" accounting firm, Ernst & Young fosters leadership, stresses teamwork and listens and responds to employee ideas. The company's non-discrimination policy includes gender identity.

- **Federal Express (Memphis, TN).** Ranked 64. On the *Fortune* list for the ninth consecutive year, FedEx is ranked first on the list for job growth based on number of new jobs. Ninety-two percent of managers were promoted from the rank-and-file.

- **Four Seasons (Toronto, Ontario).** Ranked 28. Any worker for this luxury hotel and resort provider — and immediate family members — can stay for free at any location in the world. The company also

36 Chamber Members Make *Fortune* '100 Best Companies' List

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offers career development, complimentary meals and promotion from within.

- **General Mills (Minneapolis, MN).** Ranked 98. Along with traditional benefits and stock options, General Mills provides three weeks paid vacation to new employees and on-site health services, a fitness center, infant and child care, and car servicing.

- **Granite Construction (Watsonville).** Ranked 91. David H. Watts, chairman, is a Chamber Board member. This builder of infrastructure projects allows an employee committee to select charities to which to contribute a 2 percent allocation of profits. The company contributes more toward employee health care costs than the industry standard and has an Employee Development Initiative to promote knowledge sharing.

- **IKEA (U.S.) (Plymouth Meeting, PA).** Ranked 96. IKEA pays full medical and dental benefits for employees who work 20 or more hours per week and includes coverage for domestic partners and children. The company also regularly surveys employees to gauge morale and respond to issues.

- **Intel (Santa Clara).** Ranked 97. Nanci S. Palmintere, vice president, is a Chamber Board member. Intel offers all regular, full-time employees an eight-week paid sabbatical every seven years, as well as internal training programs and two cash bonus programs based on individual/business group and company performance.

- **Intuit (Mountain View).** Ranked 43. This financial software maker provides employees an on-site fitness facility, tuition assistance, loans to purchase computers, product discounts and commute alternatives. Benefits, compensation and opportunities to socialize abound.

- **Marriott International (Washington, D.C.).** Ranked 99. Longevity is key at this hotel chain: nearly one-quarter of employees have 10 years of service, and 5,000 more have 20 years or more. The 73-year-old son of the founder visits 200 sites a year.

- **Microsoft (Redmond, WA).** Ranked 42. LaSandra Thomas, general manager, is a Chamber Board member. Microsoft offers a health insurance plan with no premium and no deductible. It also offers three weeks paid vacation for new employees, a variety of preventative health

programs and "backup" and "school's out" child care.

- **Morrison & Foerster (San Francisco).** Ranked 88. This international law firm funds each employee's 401(k) with 5 percent of total compensation each year. Morrison & Foerster offers a paid birthday holiday and a paid community service day, and employees' children may apply for scholarships through the company.

- **Network Appliance (Sunnyvale).** Ranked 27. The president of this network hardware provider calls 15 to 20 employees every week to thank them personally for their contributions. As a reward for meeting targets, the company took more than 300 salespeople and their guests to Barcelona.

- **Nixon Peabody (Boston, MA/Rochester, NY).** Ranked 49. A nationwide law firm, Nixon Peabody offers tuition reimbursement after six months of full-time employment, financing for personal computers, flex spending accounts for medical, dependent care and transportation expenses, and bonuses and referral rewards.

- **PricewaterhouseCoopers (New York, NY).** Ranked 71. Bradley J. Oltmanns, managing partner in Los Angeles, is a Chamber Board member. PricewaterhouseCoopers offers its employees an array of choices for creating flexibility in their work schedules and invented a position for career employees not on the partner track.

- **Qualcomm (San Diego).** Ranked 23. All employees were given stock in this network equipment provider in 2005. The company pays for prep classes for the GMAT and GRE and offers a huge variety of work-life balance classes, events, clinics and other resources.

- **Recreational Equipment, Inc. (REI) (Kent, WA).** Ranked 9. REI encourages its employees to get involved in their communities and to participate in outdoor activities, promotes camaraderie and open communication, and offers gear grants for employees who want to take on a personal outdoor challenge.

- **S.C. Johnson (Racine, WI).** Ranked 10. Company profit-sharing added 19 percent to employee pay in 2005. Workforce turnover is a low 2 percent. Retirees have lifetime memberships to the company fitness and aquatic facilities. Employees are offered paid sabbaticals.

- **Sherwin-Williams (Cleveland, OH).** Ranked 61. Upward mobility is key at this company: more than 90 percent of managerial and professional placements come from within. Emphasis is placed on helping employees "find themselves" and grow professionally and personally.

- **Standard Pacific (Irvine).** Ranked 74. This homebuilder and developer offers a discount of up to 3 percent on employee home purchases, training/education and college savings plans, fitness reimbursement and wellness programs, and numerous company events and outings.

- **Starbucks (Seattle, WA).** Ranked 29. After one year with Starbucks, part-time employees qualify for \$500 in tuition reimbursement. Employees receive leadership, management and communication training, stock options, and one pound of coffee each week.

- **Valero Energy (San Antonio, TX).** Ranked 3. The largest refiner in North America offers employees service and individual recognition awards, bonuses and incentive plans. The company offers comprehensive health benefits, wellness programs and employee training. Employees volunteered 200,000 hours in 2004.

- **Vision Service Plan (Rancho Cordova).** Ranked 7. On the *Fortune* "Top 100" list for the seventh consecutive year, the nation's largest eye care benefits provider sends its managers to work with the rank-and-file during annual "In Touch Day" and strives to create a culture of teamwork, trust and high expectations.

- **Washington Mutual (Seattle, WA).** Ranked 87. "WaMuliens" describe their work environment as open, fun, dynamic, enthusiastic, positive and supportive. WaMu encourages its employees to get involved in their communities and to foster work-life balance.

- **Whole Foods Market (Austin, TX).** Ranked 15. With stock that has tripled in the last three years, all employees are eligible for stock options in this natural foods market, which has made the *Fortune* list for the last nine years. Employee teams are self-directed, and access to information is open and timely.

- **Yahoo (Sunnyvale).** Ranked 73. Employees of this Internet portal provider have access to stock options, health clubs, game rooms, dental facilities, free sodas and lattes, foosball and video games, along with more traditional benefits.

ChamberPAC Working to Identify, Campaign for Pro-Jobs Candidates

Aggressive Campaign Counters Anti-Employer Activities

ChamberPAC, the California Chamber's bipartisan political action committee, is continuing its aggressive effort in this election year to identify and campaign for pro-jobs candidates.

"California employers are in for some major political battles this year. We need legislators who will fight to protect employers from trial lawyer attacks, efforts to roll back workers' compensation reform and other anti-business legislation," said Michele Zschau, Chamber vice president of public affairs. "Our pro-jobs agenda is more urgent than ever as we gear up for this critical election year and find candidates who, if elected, will support policies and legislation that put jobs and the economy first."

Ongoing Battles

For example, the battle against frivolous shakedown lawsuits continues. In 2005, just a few months after voters approved Proposition 64 to stop shakedown lawsuits, legislation was introduced to expand the potential for frivolous litigation on alleged violations of permits, regulations and statutes

Focus on Action
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California Chamber of Commerce
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(AB 528 - Frommer; D-Glendale).

The Chamber opposed this "job killer," which was placed on the Assembly inactive file last year. The election of more pro-jobs legislators is crucial to the Chamber's efforts to protect the reforms employers have achieved and to stop "job killer" and other anti-business legislation.

Success Rate

ChamberPAC has an 82 percent success rate in helping to elect business-friendly candidates. Adding to the difficulty of the task is the way political districts are drawn, which virtually guarantees re-election to incumbents. Competition for most legislative seats

occurs in the primary elections among candidates from the party whose registration dominates in the district. With the 2006 primary elections just around the corner, ChamberPAC needs support now to guarantee that the most employer-friendly candidates make it to the general election.

Information Online

To learn more about ChamberPAC or to contribute online, visit www.calchamber.com/chamberpac.

Questions should be directed to Michele Zschau at (916) 444-6670 or e-mail michele.zschau@calchamber.com.

Staff Contact: Michele Zschau

Chamber Co-Chairs Committee to Oppose Workers' Comp Initiatives

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compensation costs begin skyrocketing again.

The Chamber-supported reforms in **SB 899 (Poochigian; R-Fresno)** made several important changes to the workers' compensation system that have resulted in lower insurance premiums and better management of cases.

SB 899 ensured that medical treatment follows nationally recognized guidelines and sets clear parameters for what is acceptable treatment for injured workers in the system, while also reducing excessive litigation.

Proposals Undo Reforms

All three versions of the so-called

"Worker Empowerment Act" propose to eliminate the use of medical provider networks, established under the provisions of SB 899, and reinstate the ability of the injured workers and/or their advocates to, after 30 days, select a different doctor who would be granted a presumption of correctness.

Versions 1 and 2 of the initiative also include provisions that would eliminate workers' compensation as the exclusive remedy for injured workers and grant injured workers the ability to select between the existing system and an action at law or tort. In essence, injured workers would be able to sue their employer for injuries sustained at work.

In addition to these proposals, Version

3 of the initiative proposes an increase in benefits for injured workers that could be greatly inflated by any prospective increase in the minimum wage.

Furthermore, all three proposals would undermine the ability of employers and insurers to utilize pharmaceutical benefit managers to help contain the cost of prescription drugs within the workers' compensation system.

All three proposed initiatives are far from qualifying for the ballot. Once the Attorney General has issued the title and summary for the proposals, supporters will need to attain the requisite number of signatures.

Staff Contact: Jeanne Cain

The comprehensive authority on California labor law is available to you in an easy to use and understand reference guide.

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- Arbitration
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- Employee benefits
- COBRA
- Workers' compensation

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