

ALERT

CALIFORNIA CHAMBER OF COMMERCE

VOLUME 32, NUMBER 29 • SEPTEMBER 29, 2006

Governor Vetoes More 'Job Killer' Proposals

Workers' Comp, Health Care, Container Fees

In keeping with his policy of promoting jobs and the California economy, Governor Arnold Schwarzenegger has vetoed three more California Chamber-opposed "job killer" bills.

As *Alert* went to press, the Governor had vetoed:

- **SB 815 (Perata; D-Oakland)**, which would have rolled back recent workers' compensation reforms, thereby costing employers billions of dollars;

- **SB 840 (Kuehl; D-Santa Monica)**, which would have imposed a government-run health care system on all Californians; and

- **SB 927 (Lowenthal; D-Long Beach)**, which would have increased the cost of exporting and importing goods in California by assessing a \$60 fee per container processed through the ports of Los Angeles and Long Beach.

Workers' Comp

"Because of our historic workers' compensation reforms, we created a positive business environment and California has added more than 600,000 jobs since I took office," the Governor wrote in vetoing SB 815. "As we look to build upon the economic successes of the last three years, I simply cannot support a measure that would reverse many of the economic gains now powering California's economy."

Chamber President Allan Zarembeg praised the veto of SB 815: "For too many years, California's out-of-control

workers' compensation system was the biggest barrier to our state's economic growth," Zarembeg said. "The Governor's action has prevented our economy from going backwards to a time of soaring insurance premiums and stagnant job growth."

SB 815 would have undermined recent bipartisan workers' compensation reforms by arbitrarily doubling the duration of permanent disability payments without sound data on which to base the increase.

The Chamber-supported reforms in SB 899 by Senator Charles Poochigian (R-Fresno) in 2004 made fundamental changes to the way the workers' compensation system determines the level of injury and the amount of disability assigned to an injury and created new medical networks to provide quality, cost-effective care to workers.

This package 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.

Included in the reform package were changes in the law designed to bring rationality to the process of determining which conditions contributed to an injury and how much — so that employers would be responsible for only the portion of an injured worker's disability resulting from the existing job-related injury.

See Governor: Page 4



Governor Signs Chamber-Supported Education Bill



SUPPORT

Governor Arnold Schwarzenegger has signed a California Chamber-supported bill that aims to establish real accountability and raise student achievement

rates while closing persistent achievement gaps of students in the Los Angeles Unified School District (LAUSD).

AB 1381 (Núñez; D-Los Angeles) gives the Los Angeles mayor and a council of mayors additional means by which to measure pupil achievement in the LAUSD and increased authority over administration of the district's schools.

The LAUSD is the second largest school district in the United States with an enrollment of 727,319 and more than 80 percent of that population being ethnic minorities. The district has been plagued by a dropout rate hovering around 50 percent and persistent achievement gaps.

Business Community Support

The Chamber, California Business for Education Excellence (CBEE) and California Business Roundtable endorsed the measure after the most recent set of amendments in August.

See Chamber: Page 4

Inside

- Guest Commentary from Governor: Page 3
- Special Report on Ballot Measures: Pages 5-9

Cal/OSHA Corner

Cal/OSHA Standards Board Adopts New Regulations



Mel Davis
Cal/OSHA Consultant

Has the Standards Board adopted new regulations that will affect my company's operations?

The Occupational Safety and Health Standards Board meets monthly to present for public hearing at least two rule-making packages for public comment. If

these proposals are deemed necessary as the result of public comment, or required by federal or state legislative mandate, the Cal/OSHA Standards Board adopts them and submits them to the Office of Administrative Law, which reviews them to ensure the regulations meet specified criterion before being approved and published.

Heat Illness

One of the most recently approved regulations is an adoption of a regulation for heat illness, Section 3395, that had previously been adopted as an emergency regulation. This regulation went into effect on July 27, 2006.

Guidelines for interpretation and compliance can be found by clicking on "new" at www.dir.ca.gov.

Also, the Board has completed a Title 8 reform rulemaking regarding working in compressed/pressurized air atmospheres.

Rulemakings for Year

Of the rulemakings, seven are related directly to construction, one to general industry, two to health, one to the petroleum-related industries, one to shipyards and one to regulatory reform.

Following are the year to date approved adoptions and their effective dates, beginning September 2005:

- Appendix B, Plate B-1-a Sanitation of Personal Safety Devices (effective August 27, 2006).
- Section 1518 Protection from electric shock (effective February 26, 2006).
- New Sections 1532.2, 5206, 8359 and Section 5155 Hexavalent Chromium.
- Section 1635 Floor openings (effective February 24, 2006).
- Section 1644 Metal scaffolds (effective March 30, 2006).
- Section 1710(f) Column stability for structural steel erection (effective April 14, 2006).
- Section 1720 Concrete pumps and placing booms (effective May 3, 2006).
- Section 3395 Heat Illness Prevention (effective July 27, 2006).
- Sections 3637-3640, 3642 and 3646 Mast-climbing work platforms (effective March 29, 2006).
- Section 5154.1 Ventilation require-

ments for laboratory-type hood operations (effective August 30, 2006).

● Section 5155 Airborne contaminants (effective July 6, 2006).

● Sections 6505, 6533, 6551 and New Section 6552 Drilling and production.

● Sections 6755, 6845, 6857 and New Section 6858 Refining, transportation and handling.

● Sections 8354 and New Sections 8397.14, 8397.15 and 8397.16 Fire protection in shipyard employment II (effective February 22, 2006).

● Title 8 Reform: Compressed Air Safety Orders/General Industry Safety Orders Chapter 4, Subchapter 7, New Article 154 (effective May 4, 2006).

For a complete summary of these regulations, see the list of approved regulations at www.dir.ca.gov/OSHSB/apprvd.html.

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 submit your question at www.hrcalifornia.com.

California Chamber Officers

Donna F. Tuttle
Chair

Russell Gould
First Vice Chair

Edwin A. Guiles
Second Vice Chair

Frederick R. Ruiz
Third Vice Chair

Eugene J. Voiland
Immediate Past Chair

Allan Zaremborg
President

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 \$50 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.

Permission granted to reprint articles if credit is given to the California Chamber of Commerce Alert, and reprint is mailed to Alert at address above.

*E-mail: alert@calchamber.com.
Home page: www.calchamber.com.*

Seminars/Trade Shows

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

Business Resources

Small Business Symposium. California Chamber of Commerce. October 19, Sacramento. (800) 331-8877.

International Trade

Trade Show Success Seminar for High-Tech Firms. Northern California World Trade Center. October 5, Sacramento. (916) 447-9827.

One Global California. Los Angeles Area Chamber of Commerce. October 10, Los Angeles. (213) 580-7538.

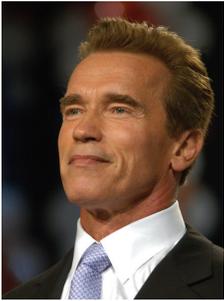
Labor Law

Managing Leaves of Absence Recorded Web Seminar. California Chamber of Commerce. Through October 31. (800) 331-8877. www.calbizcentral.com.



Guest Commentary

Let's Keep Working Together



I am honored by the California Chamber of Commerce endorsement for my re-election. It is a testimony to the great work we have done together to strengthen our

economy, and speaks to the great things we will accomplish in the years ahead.

For 100 years, the Chamber has been the voice of California's job creators. The Chamber has spoken on important issues, helped shape our economy and showed the way to lower taxes — less regulation and more growth. Your efforts have helped make California the world's seventh largest economy.

Economic Policy Viewpoint

We approach economic policy from the same point of view: We know that government doesn't create jobs, businesses do. But we also know government must create a climate for growth. Together, that is exactly what we have done over the past three years.

We all remember where California was three years ago. Our budget deficit was up. Unemployment was high and the economy was down.

Some looked at that moment as one of despair — but we saw an opportunity. It was a chance to rebuild this great state. It was a chance to re-energize the spirit of the California dream.

We started by repealing the tripling of the car tax — saving Californians more than \$10 billion. Then, we reformed workers' compensation — saving employers over \$11 billion in lower premiums. These two acts alone saved taxpayers more than \$20 billion — money we put back into our economy.

Incredible Results

The results have been incredible. We

helped create 635,000 new jobs — 37,000 in August alone — and revenues are up by \$20 billion, which has allowed us to fully fund education and slash the structural budget deficit almost 80 percent. And, since I have been in office, our credit rating has been upgraded eight different times!

As our economy grew, so did revenues. On the strength of our economy, we reduced California's structural deficit from \$16.5 billion all the way down to \$3.5 billion — a reduction of nearly 80 percent.

And, we did it all without raising taxes.

Guest Commentary By Governor Arnold Schwarzenegger

Reform Helps Small Business

Our friends in the other campaign see things differently. They like to say that, despite the great numbers we've seen these last three years, keeping taxes low

We approach economic policy from the same point of view: We know that government doesn't create jobs, businesses do.

only benefits the wealthy.

I remind them about people like Sal Acosta.

In 1972, Mr. Acosta started a small business, Acosta Sheet Metal Manufacturing in San Jose. Then, a couple of years ago, Mr. Acosta's workers' compensation costs skyrocketed — to \$457,000 in 2004. Mr. Acosta thought he would have to close his doors — not only on his dream, but on the hopes of his 80 employees.

Then we got together, came up with a solution, and reformed workers' compensation. Now Mr. Acosta's workers'

compensation costs have fallen about 40 percent, to \$275,000 annually. He's still in business, his workers still have their jobs, and he's hired 10 new employees.

More to Do

We have made great progress. But we have more to do.

We must continue to hold the line on taxes and spending. We must start building the infrastructure tomorrow's generations will require.

My opponent offers a very different vision of the future. His plan sure looks a lot like the past. He proposes \$18 billion in tax hikes, big increases in regulation and an attitude that views businesses as though they are government checking accounts. I think the Chamber recalls hearing those ideas a few years ago.

Clear Choice

After three years, we face another crossroads. I believe the choice will be clear in November. My opponent trusts the government to spend our money, and we trust the people. My opponent wants to burden business, and we want to strengthen it. My opponent wants to increase taxes and return California to the past. We want to keep taxes low and build our state for the future.

With your support, the path that California will choose to walk will be even brighter. Let's keep working together to spread the light of the California dream to every corner of this Golden State.

The best is yet to come.

Arnold Schwarzenegger is the 38th Governor of California. In 2003, the California Chamber of Commerce made an exception to its long-standing policy not to endorse candidates in statewide elections by supporting Schwarzenegger for Governor during the unprecedented recall. The Chamber announced its endorsement of Schwarzenegger for re-election earlier this month.

Governor Schwarzenegger Vetoes More 'Job Killer' Proposals

From Page 1

As a result, California employers have saved \$15 billion from what they would have paid absent the reforms.

Government-Run Health Care

California voters have twice rejected the idea of a government-run health care system such as that proposed by SB 840 — in the form of Proposition 72 in November 2004 and as an initiative in 1994. SB 840 fails to address a key issue in health care today — cost.

In his veto message, Governor Schwarzenegger said, "SB 840 relies on the failed old paradigm of using one source — this time the government — to solve the complex problem of providing medical care for our people . . . I want to see a new paradigm that addresses affordability, shared responsibility and the promotion of healthy living . . . Single payer, government-run health care does none of this. Yet it would reduce a person's ability to choose his or her own physician, make people wait longer for treatment and raise the cost of that treatment."

Zarembek commended the Governor's decision to veto SB 840, saying, "California's employers provide health

insurance to millions of Californians and know first hand the continually escalating costs of health care. In order to increase the ability of employers to provide and individuals to afford health insurance, the Legislature should, among other things, focus on the cost of ever-increasing mandates in coverage, harmonizing state and federal tax treatment of health care savings accounts and streamlining regulations to increase efficiency and reduce overall administrative costs."

Container Fee

By imposing burdensome container fees — \$60 per container processed through the Los Angeles and Long Beach ports — SB 927 would have hampered trade through California ports.

The half-billion-dollar consumer tax on exports and imports imposed by SB 927 would have hampered the state's competitiveness, driving economic activity from California to neighboring states and countries, and harming California manufacturers, growers and exporters.

In his veto message, Governor Schwarzenegger said that SB 927 is "flawed in its construction, application, lack of accountability and failure to

coordinate with other public and private financing sources, ignoring opportunities to leverage additional funding."

The Governor's veto message continued: "It is very important that any measure that increases fees that impact exporters not have the unintended consequences of negatively impacting the sale and delivery of goods grown and manufactured in California. SB 927, unfortunately, could negatively impact these exports as well."

A last-minute piece of gut-and-amend legislation, SB 927 was particularly ill-timed in light of the Legislature's passage of nearly \$20 billion in bonds to improve the state's transportation infrastructure system.

If voters pass the bonds in November, this funding, in addition to the continued pursuit of public-private partnerships, will encourage significant additional investment by the private sector, local jurisdictions and the federal government, and enhance California's economy and jobs climate.

**Staff Contacts: Marti Fisher
Moiria Topp**

Chamber-Supported Education Bill Signed by Governor

From Page 1

The bill is consistent with the business community's strong belief in setting high expectations for all students, closing achievement gaps by bringing all students to grade-level proficiency and ensuring accountability provisions to measure ongoing student academic achievement.

The business groups endorsed AB 1381 after specific accountability provisions were included in the bill in the most recent set of amendments. Under AB 1381, LAUSD student academic success will be measured in terms of grade-level proficiency and student test scores on the California Standards Test.

Reforms

The legislation reforms the LAUSD governance structure by:

- Enhancing the authority of the LAUSD superintendent by redirecting a number of functions previously con-

trolled by the LAUSD governing board, such as personnel, business operations and budgeting. This will provide a centralized point of accountability.

- Creating a Council of Mayors with oversight and specified authority over a number of functions, such as budget review, campus safety efforts and hiring of a superintendent.

- Establishing the Los Angeles Mayor's Community Partnership for School Excellence to oversee three clusters of low-performing schools and to operate a pilot project with regard to those schools.

The legislation includes a six-year sunset, which can be extended based on the findings of an independent evaluation.

Chamber Position

The Chamber believes in grade level proficiency for *all* students. The success of these students will have a direct effect on the future success of California busi-

nesses. California's workforce needs are becoming more diverse every day and businesses must have an adequate pool of qualified graduates in order to remain competitive in the global market.

The Chamber is supportive of Los Angeles Mayor Antonio Villaraigosa's effort to improve student academic achievement in the LAUSD. Using valid, accurate student data to measure academic achievement is essential for accountability and ultimate success.

Staff Contact: John Hooper

**Next Alert:
October 20**



Overview of November Ballot Measures

Following are brief summaries of the measures that will appear on the November ballot and the reasons for the California Chamber’s positions.

The California Chamber of Commerce encourages employers to share this information with their employees. Businesses are within their rights to do so — just remember, NO PAYCHECK

STUFFERS, no coercion, no rewarding or punishing employees (or threatening to do so) for their political activities or beliefs.

For more guidelines on political communications to employees, see the brochure at www.calchamber.com/guidelines. Note the distinction between *internal* communications (to employ-

ees, stockholders and their families) and communications to *external* audiences (such as non-stockholder retirees, outside vendors, customers, passersby).

For more information on the ballot measures, see the links listed below or visit the website of the secretary of state at www.ss.ca.gov.

Proposition 1A

Transportation Funding Protection. Legislative Constitutional Amendment.

Protects transportation funding for traffic congestion relief projects, safety improvements and local streets and roads. Prohibits the state sales tax on motor vehicle fuels from being used for any purpose other than transportation improvements. Authorizes loans of these funds only in the case of severe state fiscal hardship. Requires loans of revenues from state sales tax on motor

vehicle fuels to be fully repaid within three years. Restricts loans to no more than twice in any 10-year period.

Placed on Ballot by:
SCA 7 (Torlakson; D-Antioch).

Chamber Position: Support

Reasons for Position:

1. Closes the loophole in voter-approved Proposition 42.
2. Ensures gas taxes already being paid are spent only on transportation projects benefiting California’s 20 million drivers.
3. Ensures a stable source of long-term funding to get urgently needed transportation improvement projects off the drawing board.

For more information:
www.readforyourself.org.

California Chamber Positions on November Ballot Measures

Ballot Number	Subject	Chamber Position
Proposition 1A	Transportation funding protection	Support
Proposition 1B	Transportation bond	Support
Proposition 1C	Housing bond	Support
Proposition 1D	Education facilities bond	Support
Proposition 1E	Disaster preparedness and flood prevention bond	Support
Proposition 83	Increased penalties for sex offenders	No Position
Proposition 84	Drinking water, flood protection, coastal protection bond	Support
Proposition 85	Waiting period/parental notification of minor’s abortion	No Position
Proposition 86	Cigarette tax hike to pay for unrelated medical costs	Oppose
Proposition 87	Tax on California oil production	Oppose
Proposition 88	New statewide real property parcel tax	Oppose
Proposition 89	Corporate income tax hike to pay for publicly financed political campaigns	Oppose
Proposition 90	Increased government regulation costs/barriers to siting power facilities/eminent domain restrictions	Oppose



Proposition 1B

Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006.

A \$19.9 billion bond measure to fund safety improvements and repairs to state highways and local roads, reduce freeway congestion, improve seismic safety of local bridges, expand public transit, reduce air pollution and improve anti-terrorism security at shipping ports.

Placed on Ballot by:
SB 1266 (Perata; D-Oakland).

Chamber Position: Support

Reasons for Position:

1. Puts backlogged transportation projects on the fast track, reducing congestion and improving highway safety to enhance mobility and protect the state's economic future.
2. Provides funding to jump-start repairs of the state's aging highways and to start building the transportation projects needed in the future.

3. Contains strict accountability provisions and no new taxes.
4. Provides matching funds for communities that have approved local transportation measures.
5. Part of a long-term plan to rebuild California.

For more information:
www.readforyourself.org.

Proposition 1C

Housing and Emergency Shelter Trust Fund Act of 2006. A \$2.9 billion bond measure to provide homeownership assistance for the disabled, military veterans, working families and others.

Placed on Ballot by:
SB 1689 (Perata; D-Oakland).

Chamber Position: Support

Reasons for Position:

1. Helps working families afford homes and provides accessibility improvements to apartments for disabled Californians.

2. Creates 87,000 jobs and helps improve the state's economy.
3. Contains funds to enable households to become or remain homeowners.
4. Contains strict accountability provisions and no new taxes.

For more information:
www.readforyourself.org.

Proposition 1D

Kindergarten-University Public Education Facilities Bond Act of 2006.

A \$10.4 billion bond measure to provide needed funding to relieve public school, college and university overcrowding, and repair older facilities, improve earthquake safety and fund vocational educational facilities in public schools.

Placed on Ballot by:
AB 127 (Núñez; D-Los Angeles).

Chamber Position: Support

Reasons for Position:

1. Modernizing and repairing school infrastructure will help ensure delivery of quality education.
2. Invests in construction of approximately 6,500 new K-12 classrooms and 3,000 community college classrooms. Repairs 31,000 classrooms.
3. Builds and modernizes science and engineering labs and classrooms.

4. Builds on administration and legislative commitment to career technical education with funding for 3,000 vocational education facilities.
5. Contains strict accountability provisions and uses existing taxes on a long-term plan to rebuild California.

For more information:
www.readforyourself.org.



Proposition 1E

Disaster Preparedness and Flood Prevention Bond Act of 2006.

A \$4.1 billion bond measure to rebuild and repair California's most vulnerable flood control structures to protect homes and prevent loss of life from flood-related disasters and protect California's drinking water supply system by rebuilding vulnerable Delta levees.

Placed on Ballot by:
AB 140 (Núñez; D-Los Angeles)

Chamber Position: Support

Reasons for Position:

1. Expedites urgent repairs and essential improvements to levees and flood control facilities.
2. Increases flood protection for urban areas.
3. Expedites evaluation and repair of the current flood control system.
4. Provides funds to protect drinking water by rebuilding and safeguarding out-of-date pollution-prevention systems.

5. Contains strict accountability provisions and uses taxes already being paid to make important infrastructure improvements that can limit the impact of disasters when they do hit as part of a long-term plan to rebuild California.

For more information:
www.readforyourself.org.

Proposition 83

Sex Offenders. Sexually Violent Predators. Punishment, Residence Restrictions and Monitoring. Initiative Statute.

Increases penalties for violent and habitual sex offenders and child molesters. Prohibits residence near schools and parks. Requires Global Positioning System monitoring of registered sex offenders.

Placed on Ballot by:
Petition Signatures

Chamber Position: No Position

The California Chamber Board of Directors did not vote on this measure because the subject is not a business issue.

Proposition 84

Water Quality, Safety and Supply. Flood Control. Natural Resource Protection. Park Improvements. Bonds. Initiative Statute.

A \$5.4 billion bond measure to fund projects for safe drinking water, water quality and supply, flood control, waterway and natural resource protection, water pollution and contamination control, state and local park improvements, public access to natural resources, water conservation and emergency drinking water supplies.

Placed on Ballot by: Petition Signatures

Chamber Position: Support

Reasons for Position:

1. Continues the state's efforts to assure a clean, safe, reliable water supply.
2. Dedicates money to programs that enhance recreational and environmental values for tourism.
3. Invests in flood control projects.
4. Provides emergency assistance to communities with contaminated water supplies.

5. Includes tough fiscal safeguards and is funded from existing revenues.

For more information:
www.Yeson84.com.



Proposition 85

Waiting Period and Parental Notification Before Termination of Minor's Pregnancy. Initiative Constitutional Amendment.

Amends California Constitution to prohibit abortion for unemancipated minor until 48 hours after physician notifies minor's parent/guardian, except in medical emergency or with parental waiver. Mandates reporting requirements. Authorizes monetary damages against physicians for violation.

Placed on Ballot by: Petition Signatures

Chamber Position: No Position

The California Chamber Board of Directors did not vote on this measure because the subject is not a business issue.

Proposition 86

Tax on Cigarettes. Initiative Constitutional Amendment and Statute.

Imposes additional \$2.60 per pack excise tax on cigarettes and indirectly increases taxes on other tobacco products. Provides funding for various health programs

Placed on Ballot by: Petition Signatures

Chamber Position: Oppose

Reasons for Position:

1. Creates new government programs and spending that will become locked into the state budget, likely leading to increased deficits and cuts in other programs like education, transportation and law enforcement when revenues from the new tax inevitably decline.

2. Increases crime and smuggling as smokers seek alternative channels to purchase cigarettes.
3. Unfairly taxes smokers to pay for programs that have nothing to do with helping smokers quit or preventing kids from starting.
4. Includes no guarantees as to how the money will be spent.

For more information: www.86facts.org.

Proposition 87

Alternative Energy. Research, Production, Incentives. Tax on California Oil Producers. Initiative Constitutional Amendment and Statute.

Places \$4 billion tax on California oil production to fund alternative energy research and production.

Placed on Ballot by: Petition Signatures

Chamber Position: Oppose

Reasons for Position:

1. Leads to higher gas prices because it increases dependence on more expensive foreign and imported oil by significantly adding to the cost of oil produced in California.
2. Creates a costly new state bureaucracy with 50 political appointees, exempt from laws and taxpayer safeguards that apply to other agencies. Permits the new bureaucracy to continue spending, even if not producing results.

3. Reduces tax revenues used for education, public safety, health care and transportation.

For more information: www.NoOilTax.com.



Proposition 88

Education Funding. Real Property Parcel Tax. Initiative Constitutional Amendment and Statute.

Creates a statewide parcel tax of \$50 per real property parcel to provide an estimated \$450 million annually in additional public school funding for kindergarten through grade 12. Exempts certain elderly and disabled homeowners from tax. Restricts use of funds to specific educational purposes. Excludes revenue from Proposition 98 minimum funding calculations. Provides for General Fund reimbursement to offset anticipated decrease in income tax revenues.

Placed on Ballot by:
Petition Signatures

Chamber Position: Oppose

Reasons for Position:

1. Proponents have not established that lack of funding rather than funding allocation is the problem with education.
2. Establishes a whole new kind of statewide property tax, opening the door to future attempts at a new form of statewide tax increases, contrary to the

clear intent of Proposition 13 to limit property taxes.

3. Undermines local control over property taxes, giving Sacramento politicians increased power to decide how and where to spend the money.
4. Adds to the existing tax burden, using a loophole to get around the Proposition 13 requirement that tax hikes be approved by a two-thirds vote.

For more information:
www.NoProp88.com.

Proposition 89

Political Campaigns. Public Financing. Corporate Tax Increase. Campaign Contribution and Expenditure Limits. Initiative Statute.

Increases income tax rate on corporations and financial institutions by 0.2 percent to provide public funding for political campaigns. Imposes new limits on campaign contributions to state office candidates and campaign committees and new restrictions on contributions by lobbyists, state contractors. Limits certain contributions and expenditures by corporations.

Placed on Ballot by:
Petition Signatures

Chamber Position: Oppose

Reasons for Position:

1. Increases taxes on employers by \$200 million to pay for politicians to finance their political campaigns and negative ads.
2. Placed on ballot by a single special interest group, the California Nurses Association, that wants an unfair advantage in California elections.

3. Limits ability of small businesses, non-profits and others to educate voters about issues that affect them, including fighting ballot measures that propose to increase costs or boost government spending.
4. Is complicated and unconstitutional. The U.S. Supreme Court has rejected contribution and expenditure limits in a similar measure as limiting free speech and violating the First Amendment.

For more information:
www.noprop89.org.

Proposition 90

Government Acquisition, Regulation of Private Property. Initiative Constitutional Amendment.

Bars state/local governments from condemning or damaging private property to promote other private projects or uses. Limits government's authority to adopt certain land use, housing, consumer, environmental and workplace laws and regulations.

Placed on Ballot by:
Petition Signatures

Chamber Position: Oppose

Reasons for Position:

1. Increases taxpayer costs by allowing anyone to sue, claiming a new law or regulation has affected the value of the property or business, thereby encouraging frivolous and time-consuming lawsuits that will tie up needed land-use planning in litigation delays.
2. Increases the cost of public infrastruc-

ture projects, such as schools, traffic relief and flood control.

3. Threatens affordability/reliability of state energy supplies by making it more difficult for utilities to site and add increased transmission capabilities.
4. Undermines the authority of local communities to decide what types of projects get built in their jurisdictions.

For more information:
www.NoProp90.com.

Employers Can Play Active Role in Election

Help Campaigns to Invest in Infrastructure, Fight Anti-Employer Efforts

The California Business Political Action Committee (CALBUSPAC), the issues PAC of the California Chamber of Commerce, supports or opposes ballot measures to protect California employers.

With 13 propositions on the November ballot, CALBUSPAC is urging employers to get involved to fight the anti-employer initiatives, such as Proposition 89, which seeks to tax businesses to finance political campaigns while limiting business participation in those campaigns.

Another CALBUSPAC priority is passing the bond measures that provide for investment in infrastructure without raising taxes, as well as Proposition 1A, the constitutional amendment to protect gas tax revenues from being used for purposes other than their original intent



— transportation.

The Chamber formed CALBUSPAC in 1976 to protect, preserve and further the private enterprise system. CALBUSPAC is organized under California law as a general purpose issues committee (Fair Political Practices Commission committee identification number 761010).

CALBUSPAC does not make any contributions or expenditures in support of or opposition to any candidate for public office.

CALBUSPAC may accept contributions in any amount, but cannot accept

contributions from foreign nationals or accept any funds earmarked for specific issues.

CALBUSPAC's funding priorities will be based on its analysis of the importance of the issues to the business community and the needs and viability of the ballot measure committees formed to support the interests of business.

Contributions to CALBUSPAC are not deductible as charitable contributions for federal income tax purposes.

To contribute to CALBUSPAC online, visit www.calchamber.com/calbuspac.

Contributions may be mailed to:
CALBUSPAC, ID# 761010
c/o California Chamber of Commerce
1215 K Street, Suite 1400
Sacramento, CA 95814.

Support, Find Candidates Who Give Priority to Jobs, Economy

Business leaders interested in helping elect candidates who support and understand business concerns have two avenues available through efforts associated with the California Chamber of Commerce.

● **ChamberPAC**, the Chamber's bipartisan candidate political action committee, supports candidates who consistently put jobs and the economy first. Through ChamberPAC, resources of like-minded employers are pooled to help fund campaigns of pro-business candi-



dates across the state.

ChamberPAC can accept up to \$5,800 per person/company/political action committee per year. It has an 80 percent success rate in previous elections.

To contribute online, visit www.calchamber.com/chamberpac.

● The Chamber also has begun a **Candidate Recruitment and Development Fund**. In its inaugural year, the fund recruited and prepared several pro-jobs candidates to run for the state Legislature

and two won their June primary elections.

Although it is not a political action committee, the program provides the resources needed to build a bench of electable, pro-jobs candidates for state legislative and local offices. The Chamber has partnered with its local chamber network, as well as other local business organizations, to ensure the recruitment efforts are locally driven.

For more information on how to support these efforts, contact the Public Affairs Department at (916) 444-6670.
Staff Contact: Michele Steeb

Sharing Information with Employees Can Explain Impact of Voter Choices



Business owners are within their rights to inform employees and stockholders about the potential impacts of proposed ballot measures.

In fact, many employees look to business owners and chief executive officers for an informed opinion about

important public policy issues that can determine the success or failure of a business.

To help employers understand the dos and don'ts of such political communications with employees, the California Chamber of Commerce has prepared a brochure that is available on the Chamber website.

The brochure, "Guidelines for Political Communications to Employees," gives a quick overview of what employers can and cannot do, as well as when they need to report what they spend on political communications.

A pdf file of the brochure is available on the Chamber's website at www.calchamber.com/guidelines.

Small Business Advocate of the Year Award

Monterey Advocate Finds Collaboration Easy in Work to Promote Travel Industry



René Boskoff

René Boskoff knows first-hand the effectiveness — and necessity — of collaborative advocacy and education.

Boskoff, a recipient of the California Chamber of Commerce Small Business Advocate of the

Year Award, is general manager of the Monterey Marriott Hotel and an enthusiastic champion of the long-term viability of California's travel and tourism industry.

"Mr. Boskoff puts time and energy into actually solving problems that affect Monterey Peninsula businesses, large and small," says Brenda Roncarati, president/ chief executive officer of the Monterey Peninsula Chamber.

Born and educated in Holland, Boskoff originally set out to be a lawyer, but discovered that his after-studies work in a hotel was more enjoyable.

"It was high energy, a great blend of business skills and human interaction," he says. "There is nothing better than taking care of people and having them look you in the eye and say, 'Thank you,' after their stay." Sold on the pleasures of hospitality, Boskoff enrolled in hotel school and never looked back.

Makings of an Advocate

Boskoff's first foray into business advocacy occurred when he was working for Marriott in Los Angeles in the 1980s. "I couldn't understand the workers' compensation process," he says. "I was scratching my head about how it worked. On the surface, it appeared to be one-sided."

In an effort to comprehend, rather than to judge, the process, Boskoff started to learn about workers' compensation in California. He began by calling local elected officials and asking them to help him understand the system. He developed

relationships with those officials, and his foundation in advocacy was set.

Collaboration Is Fundamental

Boskoff, says Roncarati, "is a problem solver and always approaches critical business issues with the idea that by collaborating, we can find solutions."

Collaboration became key to Boskoff's efforts about six years ago when he began to notice something peculiar.

"In Monterey County, hospitality is the number two industry. In the City of Monterey, it is number one, but I felt like elected officials weren't listening," he says. "I had Rodney Dangerfield syndrome: no respect."

Boskoff began talking to other people in travel and tourism and discovered his impressions were correct — the industry's needs weren't on officials' radar.

"I thought maybe they didn't pay attention to us because we were number two, so I invited the number one folks" — the farming community — "to have lunch," he says.

According to Boskoff, as they talked, the groups discovered a mutual dilemma — non-responsiveness to industry needs — and decided to work together to get their requirements met.

The process taught Boskoff an important lesson: "You need to talk to people," he says. "Don't keep things inside. Learn and listen and find common ground. Work together. It's easy...but it's a lot of work."

Tourism and Advocacy

Boskoff's drive to learn and act proactively and collaboratively has direct bearing on small businesses in his industry. "Local attractions, local services, restaurants, art stores — those businesses are integral to the success of Monterey," he says.

A study commissioned by the state found that each dollar invested in tourism promotion generates \$19 in state and local taxes. Moreover, tourism promotion and market share are directly correlated — according to Boskoff, if promotion

falls off, market share will diminish six to 18 months thereafter.

After 9/11, tourism funding by the state was eliminated. With the funding augmentation backed by the Governor for tourism marketing campaigns in recent budgets, funding levels have returned to those of 2000.

Hospitality-related businesses in Monterey therefore decided to help themselves through funding downturns by creating a Business Improvement District. This arrangement will allow hotels to assess themselves to raise funds that will go directly into promoting the Monterey area. In this way, the industry can become less dependent on the vagaries of local funding, more self-reliant.

"We are trying to promote Monterey tourism on a global level," Boskoff says. "We need to increase opportunities in business by promoting ourselves. We succeed or fail together."

Modest But Determined

Boskoff is quick to point out that he is not alone in any of the work he has done: "It was unexpected to get this award and potentially undeserved," he says. "There are plenty of people out there working to create a better tomorrow. I'm just one of them."

Nonetheless, when faced with an issue, he says his first question is: "How do we create our own destiny on this? The conversation starts there."

That conversation, for Boskoff, continues with another question, this time to himself: "How can I become involved in the process?"

This drive to be involved, to act rather than sit and allow decisions to be made for him, will continue to inform and shape Boskoff's work unifying fragmented interests into a cohesive voice.

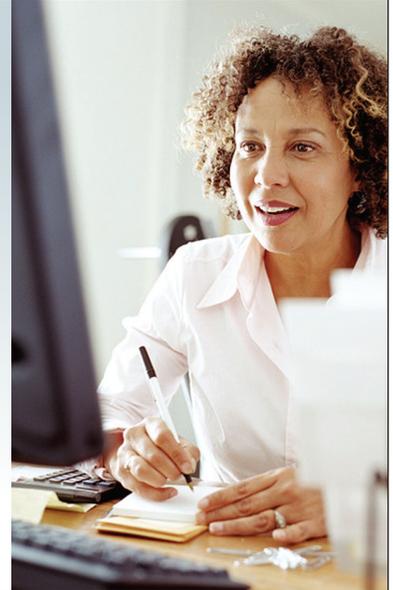
"If you are sincere in your beliefs, there are ways to come together," he says. "I truly believe that if people are sincere in what they say, compromises can be reached."

Sexual Harassment Training Is Mandatory

Providing sexual harassment training to your supervisors is not just the law, it's good business. California law AB 1825 mandated two hours of sexual harassment training for supervisors before January 1, 2006, for companies with 50 or more employees. If you missed the deadline, training is still available.

Preventing Harassment in the Workplace online training helps you meet the mandatory requirements the easy way:

- Significant savings over in-person training
- Supervisors can train at their own pace
- Questions go directly to the course instructor, a legal expert
- Record-keeping tools track who has taken the course and automatically e-mail reminders to those who haven't completed it



To order, visit **www.calbizcentral.com** or call (800) 331-8877.

ADDRESS SERVICE REQUESTED

Helping California Business Do Business™

P.O. BOX 1736 SACRAMENTO, CA 95812-1736
(916) 444-6670 FACSIMILE (916) 444-6685
www.calchamber.com



CALIFORNIA CHAMBER OF COMMERCE

ALERT

Periodicals
Postage
PAID
Sacramento, CA