

# ALERT

VOLUME 38, NUMBER 12 • APRIL 20, 2012



## ‘Job Killers’ Pose Threat to Economic Recovery

*Further Cripple Housing, Construction, Finance Sectors*



Four California Chamber of Commerce-opposed “job killer” bills that would fuel depressed property values and dry up credit for consumers

by forestalling legitimate foreclosure proceedings against delinquent borrowers were the subject of much attention this week at the State Capitol.

The bills threaten to shut down

California overall economic recovery by further hampering the housing market and construction industries.

“Until the real estate market comes back, our economic recovery will continue to be fragile,” said Allan Zaremborg, CalChamber president and CEO. “Much of our high unemployment is driven by the poor housing and construction markets and these bills would certainly exacerbate that problem.”

The bills, dubbed the “Homeowners Bill of Rights,” are sponsored by Attorney General Kamala Harris and piggyback off

*See ‘Job Killers’: Page 4*

## NLRA Posting Requirement Stopped For Now



The National Labor Relations Board (NLRB) will temporarily stop enactment of its notice-posting rule, which means that employers will not have to meet the April 30 implementation

deadline.

The Court of Appeals for the D.C. Circuit granted the request of the National Association of Manufacturers (NAM) to temporarily stop the NLRB from enacting the posting rule.

Last year, the NLRB issued a rule requiring most private sector employers to post a notice informing employees of their rights under the National Labor Relations Act (NLRA). Until the latest court decision, the posting rule was set to take effect at the end of this month.

In response to the court of appeal ruling, NLRB Chairman Mark Gaston Pearce announced: “In view of the DC Circuit’s order, and in light of the strong interest in the uniform implementation and administration of agency rules, regional offices will not implement the rule pending the resolution of the issues before the court.”

### Court Battle

In March, a federal district court for

*See NLRA: Page 3*

## Supreme Court Decision Requires Employers to Update Meal/Rest Break Policies

The California Supreme Court finally released its long-awaited decision in *Brinker Restaurant Corp. v. Superior Court*.

The most critical part of the April 12 decision is that employers do not have to ensure employees take their meal breaks. The state Supreme Court also provided some additional flexibility to employers regarding timing issues.

The unanimous ruling is largely a win for California employers, but is not without potential pitfalls. Employers with vague policies may expose themselves to increased liability, and the case makes clear that meal-and-rest break cases are still subject to class action lawsuits.

Employers will need to examine their meal and rest policies and strengthen their timekeeping practices.

It is important to have an employee handbook that is in accordance with the Supreme Court decision. The California Chamber of Commerce will be updating its employee handbook product.

The *Brinker* decision leaves some meal-and-rest break questions unresolved and does not resolve every employer’s issue with meal and rest breaks. The CalChamber will continue to keep members updated with further guidance in coming weeks.

An on-demand webinar, available April 23, analyzes the *Brinker* decision and its impacts on current meal and rest break requirements for nonexempt employees.

More information is available at [www.calchamber.com/brinkerwebinar](http://www.calchamber.com/brinkerwebinar).

### Inside

June Ballot Measures:  
Page 5

## Labor Law Corner

# Appropriate Investigation Key If Terminating Employees for Misconduct



**Ellen Savage**  
HR Adviser

*I suspect that one of my employees is stealing from the petty cash. Do I need to catch her on video or get her to confess before I can terminate her for theft?*

The California Supreme Court has held that as long as an employer has a reasonable and good faith belief that an employee engaged in misconduct, an employer will not be held liable for wrongful termination even if the

employee is later able to prove the alleged misconduct never occurred.

In a case where an employee is terminated for misconduct such as theft, California courts will ask whether the employer reached its determination “honestly, after an appropriate investigation and for reasons that are not arbitrary or pretextual” (*Cotran v. Rollins Hudig Hall*, 1998).

Even if it turns out the employer is wrong, the termination will be upheld as lawful as long as those standards are met. A court will look to whether the employer reached a reasoned conclusion, supported by substantial evidence gathered through an adequate investigation that includes notice of the claimed misconduct and a chance for the employee to respond.

### Investigation Is Key

While the California Supreme Court did not go so far as to tell employers exactly what kind of investigation is required, it is clear the employer must act reasonably to gather relevant facts and give the accused employee a chance to defend him/herself.

Before you begin interviewing the accused and/or other employees, draft your questions in advance, beginning with easier questions so employees don’t immediately become defensive.

Ask open-ended questions, such as “Have you seen or heard of anyone taking money from the petty cash without following the proper procedures?” instead

of “Did you see Suzy steal money?”

End the interviews with open-ended questions that could lead to more information, such as “Can you add anything that might help us find out more about this?” And, “Do you know of anyone else who should be interviewed about this matter?”

Assess the credibility of each person you interview, asking yourself whether there is any reason to doubt what they have said. Document all the information you gather with detailed notes.

### Review Evidence

Once all the evidence is gathered, it is wise to have more than one manager review the evidence and have a group discussion among those managers to come to a reasonable conclusion based on all the evidence.

Remember, if you are sued for wrongful termination, you want to be able to show a jury that you made every effort to learn the truth and then made a reasonable determination of whether there was misconduct based on all the information you were able to gather.

---

*The Labor Law Helpline is a service to California Chamber of Commerce 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](http://www.hrcalifornia.com).*

#### California Chamber Officers

**Timothy S. Dubois**  
Chair

**Frederick E. Hitchcock**  
First Vice Chair

**Anne Buettner**  
Second Vice Chair

**Joseph M. Otting**  
Third Vice Chair

**S. Shariq Yosufzai**  
Immediate Past Chair

**Allan Zarembeg**  
President and Chief Executive Officer

*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 Zarembeg. Executive Editor: Ann Amioka. Associate Editor: Sara Espinosa. Art Director: Marcy Wacker. Capitol Correspondent: Christine Haddon. Photographer: Megan Wood.*

*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](mailto:alert@calchamber.com).  
Home page: [www.calchamber.com](http://www.calchamber.com).*

## CalChamber-Sponsored Seminars/Trade Shows

More information at  
[www.calchamber.com/events](http://www.calchamber.com/events).

### Labor Law

Pregnancy Disability Leave and Baby Bonding Webinar. CalChamber. May 17. (800) 331-8877.

Paid or Unpaid—Leaves of Absence for California Employees Webinar. CalChamber. June 21. (800) 331-8877.

Hiring and Onboarding Basics Webinar. CalChamber. July 19. (800) 331-8877.

Conducting Effective Performance Appraisals Webinar. CalChamber. August 16. (800) 331-8877.

### Business Resources

Strategic Management for Competitive

Advantage. University of Southern California Marshall School of Business Executive Education. May 1-3, Los Angeles. (213) 740-8990.

Delta Levees Standards Conference. Water Education Foundation. May 2, Sacramento. (916) 444-6240.

Chick-fil-A Leadercast 2012. GNB Corporation. May 4, Elk Grove. (916) 478-4000.

### International Trade

Basics of Exporting - Webinars. U.S. Department of Commerce. May 2-Duty Drawbacks; May 16-Taking Advantage of NAFTA;

*See CalChamber-Sponsored: Page 6*



# Bill Discouraging Settlement Agreements Held in Assembly Policy Committee



A California Chamber of Commerce-opposed “job killer” bill that inappropriately interferes in the contractual relationship between two parties

was held in the Assembly Judiciary Committee on April 10.

**AB 2149 (Butler; D-Los Angeles)** discourages settlement agreements in elder and dependent adult abuse cases by allowing the sharing of certain information contained in settlement agreements.

This expansion of existing law is unnecessary, and ultimately will harm elderly and dependent adult plaintiffs who wish to negotiate quick settlements, driving up the cost of care at elder-care facilities, nursing homes and hospitals and limiting access to affordable care.

## Duplicative of Existing Law

The CalChamber believes AB 2149 is largely duplicative of existing law. AB 2149 would invalidate any provision in a settlement agreement that prohibits a party from contacting or cooperating with an agency, that prohibits a party from filing a complaint with an agency, or that requires a party to withdraw a complaint or report already filed with an agency, if the underlying claim is one of abuse of an elder or dependent adult.

## Discourages Settlements

In 2003, the Legislature approved AB 634, codifying a public policy preference disfavoring confidential settlement agreements in civil actions where the underlying cause of action relates to abuse of an elder or dependent adult.

Under its terms, any provision in a settlement agreement that seeks to shield evidence of abuse of an elder or dependent adult is unenforceable. Further, it prohibits a court from shielding the identity of a defendant when making this information public.

There currently is no mechanism allowing an individual to withdraw a complaint or report filed with an agency. Thus, it is unclear why more is needed to ensure regulatory and law enforcement agencies have access to evidence related to abuse of an elder or dependent adult.

AB 2149 unnecessarily expands the protections of AB 634, allowing disclosure of evidence unrelated to abuse, including technical violations, encouraging litigation by members of the public over allegations unrelated to actual abuse.

One of the primary incentives for negotiating a settlement agreement rather than proceeding to trial is to save time and money by bringing the dispute to a close quickly.

In many cases, defendants settle cases even when they believe the underlying

claims are meritless simply because it is not cost-effective to continue to fight.

Confidentiality agreements are used to ensure the finality of a particular dispute; however, if elder-care facilities, nursing homes and hospitals believe they will likely have to continue a dispute with a plaintiff regardless of the terms of a settlement agreement, the motivation to settle with any plaintiff will be greatly diminished, and more cases will proceed to court.

Increasing the cost and length of these disputes will not only ensure that elderly and dependent adults wait longer for relief; it will also increase costs for families that rely on the services of elder-care facilities, nursing homes and hospitals to provide for their loved ones, as those facilities will be forced to pass on increased litigation costs to their clients.

## Key Vote

AB 2149 failed to pass Assembly Judiciary, 5-5.

Ayes: Dickinson (D-Sacramento), Feuer (D-Los Angeles), B. Lowenthal (D-Long Beach), Monning (D-Carmel), Wiecekowsky (D-Fremont).

**Noes: Atkins (D-South Park/Golden Hill), Gorell (R-Camarillo), Huber (D-El Dorado Hills), Jones (R-Santee), Wagner (R-Irvine).**

The bill was granted reconsideration.  
**Staff Contact: Mira Guertin**

## NLRA Employee Notice Posting Requirement Stopped For Now

*From Page 1*

the District of Columbia generally upheld the validity of the posting requirement rule. NAM appealed the decision.

NAM then asked the court to stop the NLRB from implementing the poster requirement while its appeal was pending. On April 17, the court agreed to grant this temporary injunction.

Last week, a federal district court in South Carolina ruled that the National

Labor Relations Act posting requirement is unlawful. Employers nationwide were presented with two federal decisions that are in conflict with each other.

Given the uncertainty caused by the conflict in opinions, this injunction is welcome news.

## CalChamber Poster Set

The California Chamber of Commerce offers a two-poster set that contains the

NLRA notice separate from the other legally mandated notices in the *California and Federal Employment Notices Poster*.

Employers should continue to post the all-in-one poster that contains the 16 required California and federal notices for 2012.

**Staff Contact: Gail Cecchetti Whaley**

## ‘Job Killers’ Pose Threat to Economic Recovery



From Page 1

a national settlement with mortgage servicers. However, as pointed out, not only by opponents of the bills, but also in a

*Sacramento Bee* editorial

this week, the proposed measures go “further than the settlement after which they were patterned” and “could open the way for more lawsuits...”

One reason the bills are so clearly damaging is their impact on consumers. The bills would result in higher costs because they would increase the cost of borrowing. If passed, the measures would discourage investment capital for the purpose of residential mortgage lending and impose significant risk-based premiums, all paid for by consumers.

There are identical versions of the bills in both the Assembly and Senate. The Assembly bills were pulled from the agenda of the Assembly Banking and Finance Committee on April 16, just as the hearing was beginning.

The Senate bills were scheduled to be considered by the Senate Banking and Financial Institutions Committee on April 18, but were removed from the hearing agenda the previous day. News stories speculated that the bills did not have the votes needed to win committee approval. On Thursday, April 19, the bills were moved to a conference committee for further work.

“Any bills that overreach in the way these current versions do would wreak havoc on the real estate and financial sectors,” said Zarembeg. “Elected officials should pay careful attention to what is most important to the voters—jobs and the economy.”

The bills are:

● **AB 1602 (Eng; D-Monterey Park)** and **SB 1470 (Leno; D-San Francisco)**, which would delay the recovery of California’s housing market by allowing all borrowers, including strategic defaulters and investors, to abuse the loan modification process to forestall legitimate foreclosures.

● **AB 2425 (Mitchell; D-Los Angeles)** and **SB 1471 (DeSaulnier; D-Concord)**,

which would delay the economic recovery of California’s housing market by allowing borrowers, including strategic defaulters and investors, to interrupt the foreclosure process to forestall legitimate foreclosures.

### Delays Recovery

Specifically, the proposed measures would create substantial statutory changes to foreclosure laws to continue a trend of delaying or stretching out the foreclosure process. If the measures pass, strategic defaulters and investors would not be precluded from taking advantage of the process and prolonging the months in which they can retain the property while not making payments.

Until such time as existing inventory is at a minimum, new home construction and the industries reliant upon the construction industry will stall. The sluggish economic recovery in California will only be exacerbated by measures that unnecessarily extend the foreclosure process and further delay recovery of the housing market.

Particularly troublesome are provisions in AB 1602 and SB 1470 that would allow borrowers to apply for a loan modification multiple times during the foreclosure process with each application adding a month or more to the process.

According to DQNews.com in a January 2012 report, the formal foreclosure process, beginning with a Notice of Default (NOD), took 9.7 months for homes foreclosed on in California in the last quarter of 2011. That’s up from 8.8 months a year earlier. An NOD is not filed until after at least 90 days of non-payment have passed, and in many instances it is longer.

The impact of delaying legitimate foreclosures is a delay in market recovery. As properties are back on the market, new owners put money back into the economy through property improvements, such as landscaping and furnishings, further contributing to California’s economic recovery.

### Incites Litigation

The enforcement provisions of these bills would incite litigation by imposing strict liability with no right to cure; and inflicting statutory, actual, treble and punitive damages. Among other

enforcement remedies, these measures grant a private right of action to seek an injunction before a foreclosure sale. This would provide further means to forestall the foreclosure process.

In addition, these bills provide awards for damages after a foreclosure sale to borrowers irrespective of whether they have experienced real harm. Post-foreclosure exposure to liability threatens to cloud the title to the property and would discourage purchase of previously foreclosed properties, thereby impeding recovery of the housing market.

### Higher Costs for Consumers

These measures will likely limit future access to credit, discourage investment capital for the purposes of residential mortgage lending or impose a significant risk-based premium, resulting in higher costs for consumers.

Exposing entities and individuals to excessive litigation risk will not attract and encourage creditors and investors to inject the capital necessary to revive California’s residential housing marketplace.

Forestalling the foreclosure process will further frustrate local governments struggling with properties in disrepair during the foreclosure process, continue the trend of reduced property tax revenue for local governments and artificially sustain depressed property values.

**Staff Contact: Marti Fisher**



## CalChamber Calendar

*Water Resources Committee:*

May 21, Sacramento

*Host Reception/Host Breakfast:*

May 21–22, Sacramento

*Board of Directors:*

May 21–22, Sacramento

*CalChamber Fundraising Committee:*

May 22, Sacramento

*Environmental Regulation Committee:*

May 22, Sacramento

# Overview of June Ballot Measures

Following are brief summaries of the measures that will appear on the June ballot and the reasons for the California Chamber of Commerce positions.

**The CalChamber 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](http://www.calchamber.com/guidelines). Note the distinction between *internal* communications (to employees, stockholders and their families) and

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

For more information on the ballot measures, see the link listed below or visit the website of the secretary of state at [www.sos.ca.gov](http://www.sos.ca.gov).

## Proposition 28



### Limits on Legislators' Terms in Office. Initiative Constitutional Amendment.

Reduces total amount of time a person may serve in the state legislature from 14 years to 12 years. Allows 12 years' service in one house. Applies only to legislators first elected after measure is passed.

**Placed on Ballot by:** Petition signatures.

#### Reasons for Position

Unlike a 2008 attempt to reform term limits (Proposition 93), Proposition 28 applies its revised limits only to legislators first elected after the proposition passes. Legislators elected

before the passage of Proposition 28 would continue to be subject to existing term limits.

The CalChamber opposed Proposition 93 in 2008 because it did not include a companion reform measure on redistricting, a goal subsequently accomplished with the passage of Proposition 11 in 2008.

Proposition 28 is a much-needed improvement to the current term limits law while keeping the original initiative intact.

**More Information**  
[www.cafreshstart.com](http://www.cafreshstart.com)

## Proposition 29



### Imposes Additional Tax on Cigarettes for Cancer Research. Initiative Statute.

Imposes additional \$1 per pack tax on cigarettes and an equivalent tax increase on other tobacco products. Revenues fund research for cancer and tobacco-related diseases.

**Placed on Ballot by:** Petition signatures.

#### Reasons for Position

This initiative imposes an additional tax on cigarettes and an equivalent tax increase on other tobacco products to fund research for cancer and tobacco-related diseases. It is estimated to raise nearly \$1 billion in new taxes, but nothing in Proposition 29 requires the

funding to be spent in California or even in the United States.

Although cancer research is important, the CalChamber Board of Directors thought it was inappropriate to create a new program when the state is slashing existing essential programs, such as education and courts.

In addition, the Legislative Analyst's Office concluded that the revenue stream to fund these new programs would be declining and the CalChamber Board was concerned that it would once again put existing programs at risk to keep the new programs.

**More Information**  
[www.NoOn29.com](http://www.NoOn29.com)

## CalChamber Identifies New ‘Job Killer’ Bill



The California Chamber of Commerce has identified another “job killer” bill, **AB 2346 (Butler; D-Los Angeles)**, bringing the total number of bills on

the “job killer” list to 27.

AB 2346 could increase the price of food and force growers to move their crop production to other states and countries, thereby hurting California exports, by creating excessive, unnecessary new rules regarding heat illness prevention with unreasonable consequences for violations.

If passed, the bill would place in law new requirements that exceed the current regulatory ones (which are working well) and impose unreasonable fines and penalties when compliance is in question. It includes a private right of action.

AB 2346 passed the Assembly Labor and Employment Committee on April 18 on a party-line vote of 5-2.

### Limitless Litigation

CalChamber believes the enforcement provisions in AB 2346, combined with fines and penalties, are unwarranted. The opportunities for litigation are almost limitless: from private rights of action and enormous awards of damages, bounty hunter provisions, joint liabilities, enormous penalties, and restitution of \$1 million or more.

State regulators have effective enforcement authority and statutory provisions for fines, penalties and due process for employers that should be respected as the appropriate authority for heat illness prevention enforcement.

In 2005, California was the first state in the nation to adopt heat illness regulations. These regulations were developed with extensive input from labor and management.

Since the adoption of these regulations, Cal/OSHA has actively worked with employers, providing education and compliance assistance, as well as an enormous enforcement effort and presence.

In response to the regulations and the assistance of regulators, employers have stepped up compliance efforts and successfully reduced the incidence of heat-related illness in outdoor workplaces. Cal/OSHA attests to the success of their program in increasing compliance in outdoor places of employment throughout the state.

AB 2346 is filled with procedural traps nearly impossible to avoid for the targeted employers, which include farm production, cultivation, growing, harvesting, packing and related operations.

### Key Vote

The Assembly Labor and Employment vote on AB 2346 was:

**Ayes:** Alejo (D-Watsonville), Allen (D-Santa Rosa), B. Lowenthal (D-Long Beach), Swanson (D-Alameda), Yamada (D-Davis).

**Noes:** **Gorell (R-Camarillo), Morrell (R-Rancho Cucamonga).**  
**Staff Contact:** Marti Fisher

## CalChamber-Sponsored Seminars/Trade Shows

From Page 2

May 30-Completing Certificates of Origin; June 13-Financing Your Exports and Getting Paid; June 27-Temporary Exports-Carnets and Other Tools. (800) 872-8723.

Ag Trade Mission to Asia. California State Trade and Export Promotion (STEP) and Fresno Center for International Trade Development. April 21–28, China and South Korea. (559) 324-6401.

Trade Inspection Certificates Webinar. Women in International Trade-Los Angeles. April 25. (213) 545-6479.

Aquatech India. California STEP and World Trade Center San Diego. April 25–29, Delhi, India. (619) 615-0868.

U.S.-China Business Summit. China-U.S. Business Summit Committee, Global Times and China Light Industrial Corporation for Economic & Technical Co-Operation. April 29–May 1, Los Angeles. (312) 912-2502.

Annual Investment Meeting. United

Arab Emirates Ministry of Foreign Trade. May 1–3, Dubai, United Arab Emirates. (714) 214-9749.

Embracing Global Trade Alliances. National U.S.-Arab Chamber of Commerce. May 2, Los Angeles.

World Trade Week Kickoff Breakfast. Los Angeles Area Chamber of Commerce. May 4, Los Angeles. (213) 580-7569.

Green Trade Mission to Brazil Briefing. U.S. Department of Commerce. May 9, Los Angeles.

International Fair of Technologies (IFT) Energy 2012. Chilean Ministry of Energy and CORFO. May 9–11, Santiago, Chile. (877) 492-7028.

Consular Corps Luncheon. Northern California World Trade Center. May 22, Davis. (916) 312-9146.

California Ag Trade Mission to China/South Korea. Fresno Center for International Trade Development. June 9–16, China and South Korea. (559) 324-6401.

## Political Columnist Underscores Impact of ‘Job Killer’ Label

In a video commentary released April 18, *Sacramento Bee* political reporter Dan Walters highlights the effectiveness of the California Chamber of Commerce “job killer” list.

Walters explains, “...the business community has had a pretty good track record in defeating bills it puts that label on.”

He points out that “only a handful of those bills ever reach the Governor’s desk, and most of those that reach the Governor’s desk are vetoed.”

As for the 27 “job killer” bills on this year’s list, Walters doesn’t think they will get much traction, saying, “Being on the job killer list isn’t exactly a death sentence, but at least an indication that they have a tough slog to make it through the Legislature this year.”

See the 2012 “job killer” list at [www.CAJobKillers.com](http://www.CAJobKillers.com).

## Chilean Ambassador Emphasizes Suitability of Chile for Trade

Chilean Ambassador Felipe Bulnes gave an overview on California and U.S.-Chilean trade relations and opportunities at the California Chamber of Commerce International Luncheon Forum on April 12.

### Presentation

The ambassador's slide presentation highlighted facts on the suitability of Chile as an ideal trading partner, titled "Chile Open for Business." In it, Ambassador Bulnes pointed out that Chile:

- has had steady economic growth in the last 20 years, averaging a 5% growth in gross domestic product (GDP) each year;
- is considered by several sources as the No. 1 most attractive country in which to invest in Latin America;
- is the fifth least corrupt country in the world, with high levels of transparency; and
- is ranked seventh on The Heritage Foundation's 2012 Economic Freedom Index.



Ambassador Felipe Bulnes

Ambassador Bulnes added that Chile is currently seeking taxation agreements to complement its free trade agreement (FTA) with the United States. In 2010, both countries signed double taxation agreements and the treaty is in the process of being ratified by both nations, he said.

### Trade Relations

Since the U.S.-Chile Free Trade Agreement was implemented in January 2004, bilateral trade between Chile and the United States has doubled.

Chile is home to 17 million people and renowned copper mines. The country has the most stable and fastest-growing economy in its region.

Chile is California's 22nd largest export market. California exports to Chile total about \$1.48 billion and include petroleum and coal products, computer and electronic products, machinery and transportation equipment. California imports of \$967 million from Chile include fresh fruits, forestry products, wines and seafood.

### More Information

More information, including a video of Ambassador Bulnes' remarks and PowerPoint presentation, is available at [www.calchamber.com/chile](http://www.calchamber.com/chile).

Staff Contact: Susanne Stirling

## Job Creator Bill Unanimously Passes Assembly Committee



A California Chamber of Commerce-supported "job creator" bill that

encourages international trade and tourism unanimously passed an Assembly policy committee this week.

**AB 2113 (Hueso; D-San Diego)** authorizes the Department of Motor Vehicles to issue enhanced driver licenses (EDL) to U.S. citizens to expedite legal traffic and reduce congestion at ports of entry along the California-Mexico border.

This bill is a part of CalChamber's 2012 Renew Agenda and will help position California for economic recovery.

The ports of entry along the California-Mexico border are among the busiest in the world. Each year, 45 million vehicle passengers cross the border via one of the six ports of entry. At San Ysidro Port, 50,000 vehicles are pro-

cessed by the U.S. Customs and Border Patrol (CBP) each day.

The average wait for travelers at these ports is more than an hour. These delays result in a loss of 8 million trips each year. In the San Diego region alone, the result is an estimated loss of \$1.2 billion in revenues.

### Relieving Border Congestion

AB 2113 relieves the border congestion by implementing the federal EDL program. This program permits U.S. citizens who possess an EDL access to "ready lanes" at California ports of entry.

An EDL is a standard driver license that has been enhanced in process, technology and security to denote identity and citizenship for purposes of entering the United States. This technology provides CBP real-time access to a traveler's biometric and biographical information, allowing the CBP officer to quickly look at the results and focus on the traveler's vehicle as opposed to scanning documents—reducing wait time by up to 60%.

As California fights its way out of the recession, it is essential to enact legislation that promotes economic growth. Reducing border wait times will allow greater movement of travelers and consumers and would achieve significant economic benefits.

### Key Vote

AB 2113 passed the Assembly Transportation Committee with bipartisan support on April 16, 13-0.

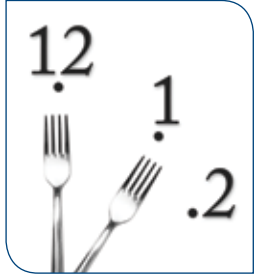
**Ayes: Achadjian (R-San Luis Obispo), Blumenfeld (D-San Fernando Valley), Bonilla (D-Concord), Buchanan (D-Alamo), Eng (D-Monterey Park), Galgiani (D-Livingston), Jeffries (R-Lake Elsinore), Ma (D-San Francisco), B. Lowenthal (D-Long Beach), Miller (R-Corona), Norby (R-Fullerton), Portantino (D-La Cañada Flintridge), Solorio (D-Anaheim).**

Absent/abstaining/not voting: Logue (R-Linda).

Staff Contact: Jeremy Merz



## Meal and rest break rules in California have changed.



Preferred and Executive members receive their 20% discount.

The question of whether employers must ensure employees take breaks or must simply provide breaks has been a source of significant litigation in both federal and state courts.

The California Supreme Court recently rendered its long-awaited decision in *Brinker Restaurant Corp. v. Superior Court*. Ensure you're ready to implement the Court's new ruling by purchasing our on-demand webinar: **Meal and Rest Breaks: What Does the Brinker Decision Mean for Your Workplace?**

Our employment law experts break down the decision in plain English. You learn best practices and tips on complying with the Court's decision, too.

### Learn from the California Employment Law Experts



**SUSAN KEMP**  
Attorney, Senior Employment Law Counsel and HelpLine Manager for CalChamber



**ERIKA FRANK**  
Attorney, General Counsel and Vice President of Legal Affairs for CalChamber

**ORDER** online at [calchamber.com/brinkerwebinar](http://calchamber.com/brinkerwebinar) or call (800) 331-8877 and use priority code ALT.

ADDRESS SERVICE REQUESTED

Helping California Business Do Business<sup>SM</sup>

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

CALIFORNIA CHAMBER OF COMMERCE



Periodicals  
Postage  
PAID  
Sacramento, CA