

ALERT

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Disney Senior VP to Chair CalChamber Board in 2014



Anne L. Buettner

Anne L. Buettner, a senior vice president at The Walt Disney Company, has been elected as 2014 chair of the California Chamber of Commerce Board of Directors.

"I'm thrilled to have the privilege of serving as chair of the CalChamber Board of Directors," Buettner said. "The California Chamber of Commerce has been dedicated to fostering our state's economic vitality for more than 120 years, and I am honored to play a part in that mission."

Serving with Buettner as 2014 officers of the CalChamber Board are:

- **First Vice Chair Joseph M. Otting**, president and chief executive officer, OneWest Bank, FSB;
- **Second Vice Chair Michael W. Murphy**, president and chief executive officer, Sharp Health Care;
- **Third Vice Chair Susan Corrales-Diaz**, president, Systems Integrated.

Buettner leads the tax legislative policy function at Disney, a diversified worldwide media and entertainment company with operations in five segments: media networks, parks and resorts, studio entertainment, consumer products, and interactive. Before assuming her current role, Buettner was Disney's global head of tax and was responsible for all domestic and international tax matters.

Buettner joined Disney in 1990 and

See Disney: Page 4

BOE Vote Scales Back Security Deposit Requirement

On December 17, the California Board of Equalization (BOE) voted to eliminate the burdensome security requirements for new businesses, drawing praise from the California Chamber of Commerce.

"Today's vote is a positive development that helps level the playing field for California's small businesses," said Allan Zaremborg, CalChamber president and chief executive officer.

"These types of deposits are not typically required in other states. As with every requirement on employers, policy makers must weigh how it impacts competitiveness and how it can impede a company's ability to expand. The Board is to be congratulated for this common sense action," Zaremborg said.

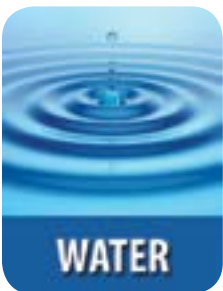
Changes Ahead

Before the December 17 vote, a security deposit typically equaling a half year's worth of taxes was automatically collected when taxpayers obtained a seller's permit. The required deposit ranges from \$2,000 to \$50,000 per company. This automatic security deposit, which most states do not impose, penalizes new business owners before they can get their business up and running, wrote BOE Member George Runner in a news release.

The BOE will be reviewing and releasing much of the security currently held in the form of cash and liquid deposits, surety bonds, and personal guarantees. The board will continue to

See BOE Vote Scales Back: Page 4

Governor Brown Creates Drought Task Force as State Prepares for Potential Third Dry Year



Governor Edmund G. Brown Jr. this week created an interagency drought task force, stating that California has experienced some of the driest periods on record in the last year.

Brown's directive came in a December 17 letter to the heads of the California Department of Food and Agriculture, Department of Water Resources (DWR), State Water Resources Control Board and

Office of Emergency Services.

The same day, DWR announced it has mobilized a new drought management effort to prepare for and reduce potential impacts of what is expected to be a third straight dry year in 2014.

Drought Concerns

In November, DWR Director Mark Cowin announced an initial water allocation of only 5% of requested deliveries to State Water Project (SWP) contractors for 2014. The initial allocation is a conservative estimate of what DWR expects it can deliver as a percentage of the total

See State Water: Page 5

Inside

**California No. 1
'Judicial Hellhole': Page 5**

Labor Law Corner

Employee Poster/Pamphlet Changes Set to Take Effect in 2014



Erika Frank
Vice President,
Legal Affairs and
General Counsel

As we ring in the New Year, will we need to update our posters and pamphlets for 2014?

Yes. There are mandatory changes to required posters, as well as pamphlet updates. The following list includes the name of the entity issuing the changed notice.

California Chamber Officers

Frederick E. Hitchcock
Chair

Anne Buettner
First Vice Chair

Joseph M. Otting
Second Vice Chair

Michael W. Murphy
Third Vice Chair

Timothy S. Dubois
Immediate Past Chair

Allan Zaremborg
President and Chief Executive Officer

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California/Federal Poster Changes

Mandatory

- California Minimum Wage Notice – Department of Industrial Relations (DIR).

- Discrimination and Harassment Notice – Department of Fair Employment and Housing (DFEH).

Other Changes

- Whistleblower Notice – California Chamber of Commerce.

- Notice to Employees: Unemployment Insurance (UI), State Disability Insurance (SDI), Paid Family Leave (PFL) – Employment Development Department (EDD).

- Safety and Health Protection on the Job – Cal/OSHA.

San Francisco Poster Changes

Mandatory

- San Francisco Minimum Wage Notice – City and County of San Francisco Labor Standards Enforcement.

- Health Care Security Ordinance (HCSO) Notice* – City and County of San Francisco Labor Standards Enforcement.

- (New) Family Friendly Workplace

Notice* – City and County of San Francisco Labor Standards Enforcement.

*Mandatory for businesses with 20 or more employees working in San Francisco.

San Jose Poster Changes

Mandatory

- San Jose Minimum Wage Notice – City of San Jose Office of the City Manager.

Pamphlet Updates

- Unemployment Insurance pamphlet, rev. 7/13 – EDD.

- Workers' Compensation pamphlet, rev. 1/14 – CalChamber (approved by Division of Workers' Compensation).

More Information

The CalChamber has a complete list of required notices and posters at HRCalifornia.com.

Some employers may be required to post notices that are unique, based on the type of business, geographical location, work done by employees, or types of hazards in the workplace. HRCalifornia's "*Posters for Unique Situations*" contains

See Employee Poster: Page 4

CalChamber-Sponsored Seminars/Trade Shows

More information: calchamber.com/events.

Labor Law

2014 Employment Law Updates (formerly HR 201). CalChamber. January 9, 2014, Sacramento; January 13, Los Angeles; January 14, Bakersfield; January 15, Long Beach; January 16, Costa Mesa; January 17, La Jolla; January 22, Emeryville; January 28, San Jose; January 30, webinar. (800) 331-8877.

HR Boot Camp. CalChamber. January 27, 2014, San Jose.

Government Relations

Luncheon Forum Featuring California Finance Director. CalChamber. January 14, 2014, Sacramento. (916) 444-6670.

International Trade

High Tech Road Show 2014. National U.S.-Arab Chamber. January 6-15, Salt Lake City, UT. (202) 289-5920.
International Investment Forum Chile 2014. Chile Foreign Investment Committee (CIEChile). January 13-16, 2014.

Outlook on the Americas Luncheon.

Association of American Chambers in Latin America. February 5, 2014, Los Angeles. (202) 463-5532.

Australia and New Zealand Business Mission. World Trade Center San Diego. February 8-16, 2014, Australia and New Zealand. (619) 615-0868.

Trade Mission to Mexico. California Centers for International Trade Development. February 10-14, 2014, Chihuahua City and Mexico City, Mexico. (916) 563-3219.

Offshore Technology Conference 2014. Malaysia External Trade Development Corporation. March 25-26, 2014, Kuala Lumpur, Malaysia. (213) 892-9034.

**Next Alert:
January 10, 2014**



CalChamber Board Hears from High-Speed Rail, Pension Reform Backers



Dan Richard, chair of the California High-Speed Rail Authority Board, gives an update on the project and its legal challenges to the CalChamber Board of Directors.



San Jose Mayor Chuck Reed explains to the CalChamber Board of Directors why skyrocketing taxpayer costs should make pension reform a priority issue for state and local governments.

Hiring Veterans, Military Spouses Yields Benefits for Businesses

The benefits of hiring veterans and military spouses were the focus of presentations to the California Chamber of Commerce Board of Directors on December 6.

Both speakers are veterans whose new roles are with programs that include a strong effort to connect talented veterans and their spouses with jobs.

Veteran Talents

Veterans have training and experiences that make them valued members of the civilian workplace, said Raymond Weeks, vice president, veterans initiatives for Prudential Financial, Inc.

The military experience prepares veterans to be members of a team, Weeks noted.

He showed a slide highlighting characteristics that make veterans people that businesses need: highly trained, cross cultural experiences, adept in discontinuous environs, having skills that transfer well, and experience in diverse settings.

More information on Prudential's program is available at www.prudential.com/veterans.



Raymond Weeks (left), Prudential Financial, Inc., and Ross Cohen, U.S. Chamber of Commerce Foundation, outline how employers, veterans and military spouses gain from efforts to match the needs and skills of both groups.



Hiring Our Heroes

Ross Cohen, senior director, gave a recap of U.S. Chamber of Commerce Foundation Hiring Our Heroes program, a sustained grassroots initiative to help veterans and military spouses find meaningful employment in hundreds of communities across the country.

Among the Web-based tools the pro-

gram offers for employers, are a Fast Track website where companies can post jobs and receive applications, www.hiringourheroes.org/FastTrack; and a personal branding resume engine that guides a veteran in building a resume and includes a search feature that allows recruiters to search by location, keyword and job level, www.ResumeEngine.org.

Disney Senior Vice President to Chair CalChamber Board in 2014

From Page 1

has held a number of positions in the Corporate Tax Department. Prior to joining Disney, she was a tax manager at Arthur Andersen & Co.

She served as a member of the Planning Committee for the University of Southern California Law School Tax Institute, is a member of the Domestic and International Tax committees of the Motion Picture Association of America (MPAA), was an advisory board member of the National Multistate Tax Symposium, and is a member of The Tax Council Board of Directors.

Buettner holds a bachelor of business administration in accounting from The University of Iowa and a master's degree in taxation from the University of Texas at Austin. She is an honors graduate of both programs and is a Certified Public Accountant (CPA).

Executive Committee

The CalChamber Executive Committee also named its two at-large members. Serving in the rotating position will be:

- **Terry MacRae**, chief executive officer, Hornblower Cruises & Events; and
- **Peter C. Nelson**, chairman of the board, California Water Service Company.

In addition to the at-large members and current officers, the Executive Committee includes the last three Board chairs. The Executive Committee works with the CalChamber's top management to determine policy, financial and program direction, including, when necessary, providing policy guidance between the Board's regular quarterly meetings.

Staff Contact: Dave Kilby

BOE Vote Scales Back Security Deposit Requirement

From Page 1

request security deposits from accounts with a history of nonpayment or those that comprise a high compliance risk.

"The state currently holds security belonging to more than 15,000 taxpayers and valued at nearly \$300 million,"

Runner said. "We expect more than half of this amount will be released to taxpayers, boosting California's economy and jobs."

2014 Officers of CalChamber Board of Directors



Joseph M. Otting



Michael W. Murphy



Susan Corrales-Diaz

2014 At-Large Members of CalChamber Executive Committee



Terry MacRae



Peter C. Nelson

Employee Poster/Pamphlet Changes

From Page 2

a wizard that will help employers determine other posting requirements.

To Order

Through the CalChamber store, employers can order the **2014 Required Notices Kit**—which includes a single poster with all 16 required state and federal employee notices, plus all five required employee pamphlets, updated as necessary for 2014.

The all-in-one 2014 California and federal poster, the individual pamphlets and the 2014 San Francisco and San Jose posters also are available to order.

Poster Protect®

CalChamber's Poster Protect coverage for required updates makes it easy to

keep your all-in-one employment poster in compliance. If mandatory changes occur during 2014, you'll automatically receive a replacement poster at no additional cost. Just choose the ordering option that includes the coverage.

Note: Poster Protect covers mandatory changes to the combined *California and Federal Employment Notices* poster only. Separate city or federal posters are excluded from the coverage.

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.

California Tops 'Judicial Hellhole' List

Tort Reform Association Ranking Puts State as No. 1 for Second Year Running

For the second year in a row, California has been identified as the No. 1 "Judicial Hellhole" by the American Tort Reform Association (ATRA).

ATRA says that California "sits atop the 'Judicial Hellholes' rankings once again, as average Californians feel the pinch of the he-sues-she-sues-everyone-sues litigation climate."

The report explains that the food industry is the latest target of plaintiffs' lawyers who seek to take advantage of the state's plaintiff-friendly consumer protection laws and a federal court's perceived receptivity to such lawsuits.

ATRA states that asbestos litigation "continues to migrate from reform states into California's permissive courts."

Examples

Among the types of lawsuits cited by ATRA:

- **Class actions over food.** About a dozen plaintiffs' law firms have filed about 75 class action lawsuits in the last few years, according to ATRA. Rarely has there been a week in 2013 without a report of another class action filed against a food maker.

In some instances, ATRA reports, the lawyers recycle the same individuals as lead plaintiffs, over and over again, in



lawsuits involving different manufacturers and products.

- **Disability access lawsuits.** ATRA states that plaintiffs' attorneys continue to find ways around recent reform legislation. Examples cited include a lawsuit challenging the accessibility of a city-owned parking lot in Torrance and a small café in Folsom closing earlier this year because the owner could not afford

to defend against an accessibility lawsuit.

- **Asbestos.** The asbestos lawsuit trend is evident in San Francisco/Oakland and Los Angeles, according to ATRA. In 2012, a longtime trend was reversed as filings of new asbestos cases in Los Angeles (292) exceeded such filings in San Francisco and Oakland (277). Through November 2013, new filings in Los Angeles (222) again exceeded those in the two Northern California jurisdictions (166).

Hopeful Signs

Among the "encouraging news" cited by the ATRA report is the enactment of the California Chamber of Commerce-supported job creator bill to prevent drive-by Proposition 65 lawsuits, AB 227 (Gatto; D-Los Angeles; Chapter 581).

The legislation was an urgency measure that went into effect immediately upon being signed. It protects small businesses from drive-by lawsuits by providing a 14-day right to cure for allegations of a failure to post a Proposition 65 warning related to chemicals produced during the cooking process, alcohol, second-hand smoke and car exhaust.

The full report is available at www.judicialhellholes.org.

State Water Resources Department Prepares for Potential Third Dry Year

From Page 1

amount requested by public water agencies that contract for SWP deliveries.

Noting that reduced allocations from federal water projects are likely to be announced soon as well, Governor Brown directed the newly named Drought Task Force to meet weekly to review expected allocations, the state's preparedness and whether conditions warrant declaration of a statewide drought.

"We must do everything we can to address the impacts of water shortages and move water from where it is available to where it is needed," the Governor said.

A principal concern cited by DWR is the plight of farmers who must operate with markedly less water than needed for crops. Farmers and farm communities dependent on agricultural jobs located on

the west side of the San Joaquin Valley are especially vulnerable to dry conditions.

DWR also will be watching for drinking water impacts in small rural communities whose fractured rock groundwater sources will be stressed by a third dry year.

Water Transfer Program

The DWR is working with the U.S. Bureau of Reclamation and the State Water Resources Control Board to expedite transfers of water from areas with relative abundance to locations with critical water needs.

A schedule and process for streamlining water transfers in 2014 has been released by the DWR, as directed by the Governor in an executive order earlier this year. The executive order for transfers avoids environmental lawsuits that plagued

the drought water banks of the past.

Supplementing the water transfer program, the DWR is working with the Bureau of Reclamation and the federal and state wildlife agencies to improve Delta operations next summer to enhance water delivery capability, while meeting endangered species protections.

Cowin said in a news release that DWR recognizes there will be regional impacts due to dry conditions next year.

"It's still early in the water year," he said. "The January and February snow surveys will allow us to evaluate water conditions on a statewide basis. As we monitor water conditions, we will consider actions to be included in a potential Governor's drought proclamation."

Staff Contact: Valerie Nera

CalChamber Hosts Crimean Delegation

The California Chamber of Commerce hosted an official delegation from the Republic of Crimea, Ukraine on November 12. The meeting focused on the cultural, historical and commercial significance of Crimea—which is a well-developed region in Ukraine, located along the northern peninsula on the Black Sea.

Susanne Stirling, CalChamber vice president of international affairs, met with Georgiy Psarov, deputy chairman, and Oleksiy Starodubov, adviser to the chairman of the Council of Ministers of the Autonomous Republic of Crimea; Yanina Pavlenko, a member of Parliament and the CEO of the state wine company “Novy Svet”; along with Consul General Sergiy Aloshyn and Vice Consul Oleksandr Filipenko of the Consulate of Ukraine in San Francisco.

Crimea

Known as a “Pearl of Ukraine,” Crimea was ranked among the Top 20 Destinations by *National Geographic* in 2013. The region of Crimea has a new campaign for promoting and attracting investment, with an overall goal of improving the lives of the population of 2 million.

The campaign will be focused on five areas, according to the Council of Ministers of the Autonomous Republic of Crimea.

- **Tourism:** The Crimean peninsula is a growing tourist region, with miles of beaches, mountains, forests and lakes. Currently, 64% of its tourist facilities are located on the southern coast.

- **Agriculture:** Crimea is one of the top grape-growing areas in the region,

with a thriving wine industry. Investment opportunities exist in processing fruit and vegetables into convenience foods and juices, and the production of meat and fish products.

- **Transportation infrastructure:** Crimea is well-situated in the Black Sea, making it an internationally significant transportation hub.

- **Energy: solar/ wind:** Although the



(From left) Consul General Sergiy Aloshyn of Ukraine; Yanina Pavlenko, member of Parliament and CEO of the wine company “Novy Svet”; Susanne Stirling, CalChamber vice president of international affairs; Georgiy Psarov, deputy chairman of the Council of Ministers of the Autonomous Republic of Crimea; Oleksiy Starodubov, adviser to the chairman of the Council of Ministers of the Autonomous Republic of Crimea; Vice Consul Oleksandr Filipenko of Ukraine.

majority of Crimea’s solar and wind energy demand is met by importing from mainland Ukraine, Crimea’s solar energy potential is among the highest in Ukraine and its wind energy potential among the highest in Europe.

- **Industrial development:** Industry is the main sector of Crimea’s economy, making up almost 25% of the region’s total fixed asset value. Crimea aims to develop further innovations, notably in high tech engineering, equipment for agriculture, and electronic and communication facilities.

U.S.-Ukraine Trade

In 2012, two-way trade between Ukraine and the United States was approximately \$3.3 billion. Exports to Ukraine exceeded \$1.9 billion. In 2012, U.S. foreign direct investment into Ukraine totaled \$840 million. The United States has maintained a trade surplus with Ukraine since 2009.

California exports to Ukraine have more than tripled since 2006. In 2012, they reached \$111.7 million, a 39% increase from 2011.

U.S.-Ukrainian Trade and Investment Council

In 2008, shortly after Ukraine became a member of the World Trade Organization, the United States and Ukraine signed a trade and investment cooperation arrangement, which established the U.S.-Ukrainian Trade and Investment Council. Chaired by the U.S.

Trade Representative and the Ukrainian Ministry of Economy, the council is the primary organization for managing the trade and investment relationship between the two countries. The fourth meeting of the council was held in Washington on July 31, 2012.

(Sources: WTO and International Trade Administration)

For more information about Ukraine and Crimea, please see the new Ukraine Trading Partner Portal at www.calchamber.com/Ukraine.

North American Free Trade Agreement: 20 Years Later, Near Quadrupling of Trade

On the anniversary of its signing, studies show the North American Free Trade Agreement (NAFTA) has led to increased trade among the United States, Canada and Mexico.

The historic agreement, after passing through both the U.S. House of Representatives and the U.S. Senate, was signed into law by President Bill Clinton on December 8, 1993, and took effect on January 1, 1994.

On December 17, 1992, the NAFTA was signed by President George H.W. Bush, Mexico President Carlos Salinas, and Canadian Prime Minister Brian Mulroney. The framework agreement proposed to eliminate restrictions on the flow of goods, services, and investment in North America.

Trade Growth

The California Chamber of Commerce actively supported the creation of the NAFTA among the United States, Canada and Mexico, comprising almost 470 million people. Today, combined

annual trade of these nations with the United States exceeds \$1.1 trillion.

In 2012, U.S. goods exports to Canada and Mexico topped \$508 billion, while goods imports totaled \$602 billion. Since 1993, trade among the three NAFTA countries has nearly quadrupled.

According to a study conducted by the U.S. Chamber of Commerce in November 2012, "Trade with Canada and Mexico supports nearly 14 million U.S. jobs, and nearly 5 million of these net jobs are supported by the increase in trade generated by NAFTA."

Mexico continues to be California's No. 1 export market with California exports to Mexico totaling \$26 billion. Mexico purchases 16% of all California exports. California's exports to Mexico are driven by computers and transportation equipment, which account for 43% of all California exports to Mexico.

In a report cited by the Public Policy Institute of California at the end of 2011, it was noted that the value of property,

plant and equipment owned by Mexican companies in California was estimated at \$1.2 billion.

CalChamber Position

CalChamber support for the NAFTA is based upon an assessment that it serves the employment, trading and environmental interests of California and the United States, as well as Canada and Mexico, and will be beneficial to the business community and society as a whole.

The objectives of the NAFTA are to eliminate barriers to trade, promote conditions of fair competition, increase investment opportunities, provide adequate protection of intellectual property rights, establish effective procedures for implementing and applying the agreement, and for resolving disputes, and to further trilateral, regional and multilateral cooperation.

For more information, please see www.calchamber.com/NAFTA, www.calchamber.com/canada, and www.calchamber.com/mexico.

Sources: U.S. Department of Commerce 2012 Data, World Bank



Federal, California Trade Policies Overview at International Breakfast



Scott Lane (left), partner at PACE Government Relations in Washington, D.C., presents an update on trade-related discussions in the nation's capital at the CalChamber International Trade Breakfast meeting on December 6. Brian Peck, deputy director of international affairs and business development in the California Governor's Office of Business and Economic Development (GO-Biz) follows with comments on Go-Biz support for small and medium-sized companies. The breakfast was hosted by the CalChamber Council for International Trade, chaired by Susan Corrales-Diaz (right) of Systems Integrated.

JANUARY SEMINAR DATES AND LOCATIONS THROUGHOUT CALIFORNIA

2014 Employment Law Updates Seminar



With new employment laws on the books for 2014, every HR decision hinges on having current information. CalChamber's comprehensive half-day seminar (previously HR 201) details how recent California and federal laws, regulations and court cases apply to your workplace.

8:30 a.m. – 12:00 p.m.

Sacramento (1/9/14), Los Angeles (1/13/14), Bakersfield (1/14/14), Long Beach (1/15/14), Costa Mesa (1/16/14), La Jolla (1/17/14), Emeryville (1/22/14), San Jose (1/28/14)

Cost: \$199.00 | Preferred/Executive Members: \$159.20

Anyone with employees in California will benefit from our employment law experts' compliance guidance.



Susan Kemp and Erika Frank

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CALIFORNIA CHAMBER OF COMMERCE