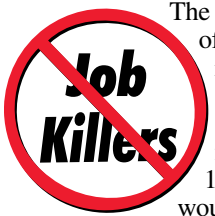


ALERT

VOLUME 41, NUMBER 10 • APRIL 10, 2015

 **CalChamber**
CALIFORNIA CHAMBER OF COMMERCE

CalChamber Releases 2015 Preliminary Job Killer List



The California Chamber of Commerce this week released a preliminary list of “job killer” bills to call attention to the negative impact that 16 proposed measures would have on California’s job climate and economic recovery if they were to become law.

The list is preliminary at this point because CalChamber expects to add more bills to the list in the coming weeks as legislation is amended. CalChamber will periodically release “job killer” watch updates as legislation changes.

Readers are encouraged to track the current status of the “job killer” bills on www.cajobkillers.com or by following @CAJobKillers on Twitter.

“Although we will be opposing a number of bills throughout this year, the ‘job killer’ list represents the worst of the worst,” said Allan Zaremborg, CalChamber president and CEO. “These proposals

will unnecessarily increase costs on California employers that will likely lead to a loss of jobs.”

The preliminary list of 2015 “job killer” bills follows:

Increased Labor Costs

- **AB 357 (Chiu; D-San Francisco) Predictable Scheduling Mandate/Protected Leave of Absence** — Imposes an unfair, one-size fits all, two-week notice scheduling mandate on certain employers that perform retail sales activity, and penalizes these employers with “additional pay” for making changes to the schedule with less than two weeks notice, and additionally imposes an unlimited, protected leave of absence from work as well as a broad new protected class of employees who are receiving public assistance or have an identified family member receiving such assistance.

- **SB 3 (Leno; D-San Francisco/Levy; D-Chino) Automatic Minimum**

See 2015 Preliminary: Page 5

Proposed Changes to Prop. 65 Warning Rules Will Increase Costs, Litigation



The California Chamber of Commerce and more than 170 organizations have outlined significant concerns with proposed revisions to the Proposition 65 warning regulations in a

letter to the state Office of Environmental Health Hazard Assessment (OEHHA).

The extensive comment letter from the CalChamber and coalition includes more than 170 California-based and national organizations and businesses of varying sizes that, collectively, represent nearly every major business sector on which OEHHA’s proposal would have an impact.

On January 16, 2015, OEHHA formally proposed an extensive set of new rules regarding how businesses must warn under Proposition 65 in order for the warnings to be deemed “clear and reasonable” as required by the law.

Although Proposition 65’s current warning regulations allow for “safe harbor” compliance through a generic, one-sentence, simple black-on-white statement appearing in English, the proposed regulations will require, among other things:

- Use of a yellow triangle pictogram containing an exclamation point;

See Proposed Changes: Page 4

Attorney General to Speak at Capitol Summit



Kamala Harris

California Attorney General Kamala Harris will be a special guest speaker at the California Chamber of Commerce **Capitol Summit** on May 27 in Sacramento.

The half-day summit will precede the Sacramento Host Reception and Breakfast.

Host Breakfast speakers will include Governor Edmund G. Brown Jr.; 2015

CalChamber Chair Joseph M. Otting, president and CEO of OneWest Bank N.A.; and Vivek Ranadivé, owner/chairman of the Sacramento Kings.

Capitol Summit

At the summit, CalChamber President and CEO Allan Zaremborg will moderate an “Insiders Panel” with political practitioners from both major parties.

Following lunch, former Assembly Republican Leader Mike Villenes, Villines Group LLC, will moderate as CalChamber policy advocates provide

See Attorney General: Page 7

Inside

**Governor Orders 25%
Water Use Reduction: Page 3**

Labor Law Corner

Payment Rules for Unused Paid Time Off Differ for Vacation, Sick Leave



Gary Hermann
HR Adviser

Does an employer have to pay employees for unused paid time off?

It depends upon what kind of paid time off it is. Employers may have policies of paying for time employees use as vacation or paid time off not tied to any particular event or to cover absences due to illness.

No Vacation Pay Forfeiture

Forfeiture of vacation pay is prohibited because the vacation pay is given without condition. That prohibition also covers paid time off not tied to a particular event like a birthday or anniversary date.

Although vacation or paid time off are not required by law, if an employer establishes a vacation or paid time off policy, there are some mandates.

California Labor Code Section 227.3 provides that at the time of termination, an employee shall be paid all vested vacation pay at the employee's final rate of pay.

In the case of *Suastez v. Plastic Dress-Up Company*, the California Supreme Court determined that vested means that vacation is earned on an accrued basis. Once so earned, vacation cannot be lost.

Sick Leave

Sick leave is different, however.

Before 2015, there was no statute requiring paid sick leave or addressing paid time for unused sick leave as exists with vacation.

California's new mandatory sick leave law is codified in California Labor Code Section 245 et seq. The sick leave law mandate takes effect on July 1, 2015.

The statute specifically provides that an employer is not required to provide compensation to an employee for accrued, unused paid sick days upon termination, resignation, retirement or other separation from employment.

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.

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CalChamber-Sponsored Seminars/Trade Shows

More at www.calchamber.com/events.

Labor Law

HR Boot Camp. CalChamber. April 23, San Diego; June 10, Santa Clara; August 18, Sacramento; September 2, Laguna Beach. (800) 331-8877.

Business Resources

Federal/State Basic Payroll Tax Seminar. Employment Development Department. May 15, Carson. (562) 903-2168.

34th National UI Conference. National Foundation for Unemployment Compensation and Workers' Compensation. June 17-19, San Diego. (202) 223-8904.

International Trade

Legal and Business Strategies in Exporting. Port of Los Angeles. April 17, Los Angeles. (310) 732-7765.

California-Mexico Trade Initiative. San Diego Regional Chamber. April 19-22, Mexico City, Mexico. (619) 544-1316.

Kiss of the Oceans Reception. Mayor Kevin L. Faulconer, San Diego International Sister Cities Association and The House of Panama. April 23, San Diego.

MEXPORT Trade Show 2015. Otay Mesa Chamber. April 23, San Diego.

(619) 661-6111.

Ex-Im Bank's Annual Conference.

Export-Import Bank of the United States. April 23-24, Washington, D.C. (703) 536-4992.

China-U.S. Business Summit. China-U.S. Business Summit Organizing Committee. April 26-28, Los Angeles. (626) 810-0820.

Making Hay: The Future of U.S. Competitiveness. Monterey Bay Interna-

See Seminars/Trade Shows: Page 7

CalChamber Calendar

Capitol Summit and Host Breakfast:

May 27-28, Sacramento

International Forum:

May 27, Sacramento

Water Committee:

May 27, Sacramento

Environmental Regulation Committee:

May 27, Sacramento

Fundraising Committee:

May 27, Sacramento

Education Committee:

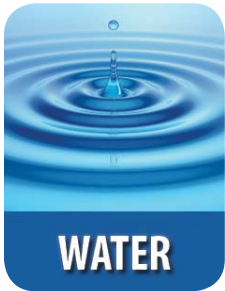
May 27, Sacramento

Board of Directors:

May 28, Sacramento



Governor Orders 25% Water Use Reduction, Calls for Increased Enforcement Statewide



Last week, as the early April survey found no snow at a key Sierra location for the first time in 75 years, the Governor called for mandatory water reductions in cities and towns across the state,

along with stepped up enforcement of water use restrictions and actions to streamline the state's drought response.

The Governor acknowledged that agricultural water users "have borne much of the brunt of the drought to date, with hundreds of thousands of fallowed acres, significantly reduced water allocations and thousands of farmworkers laid off."

This week's storms contributed only slightly to the snowpack, moving the water content from the 5% of normal recorded on April 1 to 8% of normal on April 8. The Sierra snowpack usually supplies about 30% of state water needs as the snow melts in the spring and early summer.

The 25% water reduction called for by the Governor amounts to about 1.5 million acre-feet of water over the next nine months, nearly as much as Lake Oroville holds now.

Saving Water

The state Department of Water Resources notes that the quickest, most effective way to save water now is to curb landscape irrigation.

The Governor's executive order assigns the department to lead a statewide effort, in partnership with local water agencies, to replace 50 million square feet of lawn throughout the state with drought-tolerant landscaping.

Other measures include:

- Creating a temporary statewide consumer rebate program to replace old appliances with more water- and energy-efficient models.
- Prohibiting new homes and developments from irrigating with potable water unless using water-efficient drip irrigation systems.
- Banning watering of ornamental grass on public street medians.

- Reducing water use in commercial, industrial and industrial landscape irrigation.

Emergency Urban Water Conservation Rules

All Water Users

- No washing down sidewalks and driveways.
- No washing a motor vehicle with a hose, unless the hose is fitted with a shut-off nozzle.
- No operating a fountain or decorative water feature, unless the water is part of a recirculating system.
- No irrigating turf or ornamental landscapes during and 48 hours following measurable precipitation.

Commercial Businesses

- Restaurants and other food service establishments can serve water to customers only on request.
- Hotel and motel operators must provide guests with the option to choose not to have towels and linens laundered daily and prominently display notice of this option.

Water Suppliers

- Notify customers when aware of leaks that are within the customer's control.
- Limit outdoor irrigation to no more than two days per week or as specified in the supplier's water shortage plan.
- Report the number of days to which outdoor irrigation has been limited and describe compliance and enforcement efforts as part of monthly reporting to the State Water Resources Control Board.

Agricultural Water Use

The Governor's executive order includes the following new requirements:

- A drought plan and water supply and demand data for 2013–2015 in agricultural water management plans due this year.

- Agricultural water management plans for suppliers between 10,000 and 25,000 acres, due July 1, 2016.

- Water agencies must submit state groundwater monitoring data in priority groundwater basins.

Enforcement/Drought Response

- Local water agencies must adjust rate structures to implement new "conservation pricing."

- Increased reporting of water diversion and use and increased enforcement against illegal diversions and waste and unreasonable use.

- Taking action against water agencies in depleted groundwater basins that have not shared data on their groundwater supplies with the state.

- Updating standards for toilets and faucets and outdoor landscaping in residential communities and taking action against communities that ignore these standards.

- Making permanent monthly reporting of water usage, conservation and enforcement actions by local water suppliers.

- Prioritizing state review of permits for projects that increase water supplies.

- Streamlining permitting and review of emergency drought salinity barriers to preserve freshwater supplies in upstream reservoirs for human use and protect habitat for endangered/threatened species.

- Simplifying the review and approval process for voluntary water transfers and emergency drinking water projects.

- Temporary relocation assistance to families that need to move from homes where domestic wells have run dry to housing with running water.

New Technologies

A new program to be administered by the California Energy Commission will aim to incentivize promising new technology.

Related Websites

Tips on conserving water:
SaveOurWater.com.

Recap of state actions to manage water system: Drought.ca.gov.

Plans to fix the state's aging water system: watersecurityca.com.

Staff Contact: Valerie Nera

Proposed Changes to Prop. 65 Warning Rules Will Increase Litigation

From Page 1

- A more unequivocal warning statement indicating that the product “can expose” a user to chemicals known to the state to cause cancer and birth defects or other reproductive harm, as opposed to the current language, which specifies that the product or facility “may contain” chemicals;

- Listing particular chemicals in the warning if they are among a group of 12 that OEHHA has identified;

- Adding a URL to all warnings linking to a public website that OEHHA will operate to provide information supplementing the warning for any interested party; and

- Presenting the warning in additional languages if the product label otherwise displays them for any other purpose (in French for Canadian products and often in other languages for free trade purposes).

The coalition’s comment letter explains in detail why OEHHA’s proposal makes compliance with Proposition 65 far more difficult, creates new avenues for increased litigation and imposes significant new costs on California businesses. Just two examples of how the proposal substantially exacerbates the already-problematic Proposition 65 litigation climate follow.

12 Chemicals

One of the most concerning aspects of the proposal is the requirement that warnings specify one or more of 12 chemicals if those chemicals are causing an exposure above “safe harbor” thresholds.

This proposed section will create a new category of “bad warning” enforcement actions, which will punish companies making good faith efforts to comply.

The following hypothetical illustrates the point: A company whose product contains both a listed phthalate and lead determines that it should provide a warning for lead but that no exposure to the phthalate is occurring at a level requiring a warning. Thus, it provides a compliant Proposition 65 warning identifying lead only. Notwithstanding that compliant warning, that company may still be sued for failing to identify the phthalate, leaving the company to settle or engage in prolonged, expensive litigation. The only way to avoid such “bad warning” claims would be to identify all 12 chemicals, or alternatively to identify any of the 12 chemicals that the business believes may be present, even if they may be present at

such infinitesimal levels that they do not trigger the warning requirement. This is the exact opposite outcome that OEHHA states it wishes to achieve in that it creates an entirely new sub-category of “overwarning,” wherein a business will specify chemicals in its warnings out of an abundance of caution, notwithstanding the fact that such chemicals are either not present at all or are otherwise present at infinitesimal levels such that no specification of the chemical is required by law.

Proposition 65 Warnings: 12 Designated Chemicals

- Acrylamide
- Arsenic
- Benzene
- Cadmium
- Carbon monoxide
- Chlorinated Tris
- Formaldehyde
- Hexavalent Chromium
- Lead
- Mercury
- Methylene Chloride
- Phthalate[s]

Translation Requirement

The requirement to provide warnings in alternative languages generally suffers from vagueness, does not give proper guidance to businesses on how to comply, and thus will directly lead to more lawsuits.

- The subsection does not indicate what amount of another language needs to be present on a label to trigger a warning in that language.

- Although the proposed regulations give detailed and precise requirements for the language to be employed in the English-language warnings, they do not give an indication of how these warnings are to be properly translated.

- The foreign language proposal does not take space limitations into account.

During the March 25 public hearing on the proposed regulation, OEHHA stated that it intends to include translated warnings on its proposed website. OEHHA can eliminate the problems the coalition has identified with the foreign language requirement by including translated warnings on its website in multiple languages in lieu of requiring businesses to provide them whenever another language is present on a label.

Alternatively, if OEHHA remains inclined to require businesses to provide warnings in multiple languages on labels, it would only make sense for the foreign language requirement to be triggered if other health-related warnings for a product

are given in multiple languages, not based solely on the mere use of multiple languages on a label in other regards. Even then, OEHHA should limit the requirement to one additional language.

Economic Analysis

OEHHA summarily concludes that the proposal will not have a significant statewide adverse economic impact directly affecting businesses. OEHHA reaches this conclusion based on the erroneous view that the proposal “does not impose any new requirements upon private persons or business because it primarily provides non-mandatory guidance and a voluntary safe harbor process for providing warnings already required under the Act that businesses can choose to follow.”

OEHHA’s assumption cannot be supported, as evidenced by an economic impact analysis prepared by Andrew Chang & Company, LLC, which demonstrates that OEHHA’s proposal—when characterized accurately—will have a significant economic impact on California businesses. Chang’s economic impact analysis further underscores that a meaningful economic analysis of OEHHA’s proposal—which satisfies the requirements for a major regulation—is a necessary and critical missing component of the rulemaking process.

Next Steps

The coalition believes that the new burden OEHHA is imposing on the business community substantially outweighs any perceived benefit from the proposed changes to the Proposition 65 warning requirements.

If OEHHA is not going to abandon this effort and devote itself instead to the more pressing need to better define when Proposition 65 warnings are really necessary, then, at a minimum, the coalition believes that OEHHA needs to substantially rework its draft rule and provide a meaningful economic impact analysis and then recirculate them for another round of full public comment before proceeding to finalize any change to the existing regulation.

OEHHA must adopt a final regulation by January 2016. It is anticipated that OEHHA will review public comments over the next several months, and circulate a revised version for public review and comment.

Staff Contact: Anthony Samson

2015 Preliminary Job Killer List

From Page 1

Wage Increase — Unfairly increases employers costs while ignoring the economic factors or other costs of employers by increasing the minimum wage by \$3.00 over the next two and a half years with automatic increases tied to inflation.

- **SB 406 (Jackson; D-Santa Barbara)** **Significant Expansion of California Family Rights Act** — Creates less conformity with federal law by dramatically reducing the employee threshold from 50 to less than 5 employees and expanding the family members for whom leave may be taken, which will provide a California-only, separate 12-week protected leave of absence on both small and large employers to administer, thereby increasing costs and risk of litigation.

Increased Fuel Costs

- **SB 350 (de León; D-Los Angeles)** **Costly and Burdensome Regulations** — Potentially increases costs and burdens on all Californians by mandating an arbitrary and unrealistic reduction of petroleum use by 50%, increasing the current Renewable Portfolio Standard to 50% and increasing energy efficiency in buildings by 50%—all by 2030 without regard to the impact on individuals, jobs and the economy.

Tax Increases

- **ACA 4 (Frazier; D-Oakley)** **Lowers Vote Requirement for Tax Increases** — Adds complexity and uncertainty to the current tax structure and pressure to increase taxes on commercial, industrial and residential property owners by giving local governments new authority to enact special taxes, including parcel taxes, by lowering the vote threshold from two-thirds to 55%.

- **SB 684 (Hancock; D-Berkeley)** **Increased Tax Rate** — Threatens to significantly increase the corporate tax rate on publicly held corporations and financial institutions up to 15% according to the wages paid to employees in the United States, and threatens to increase that rate by 50% thereafter, if the corpo-

ration or institution reduces its workforce in the United States and simultaneously increases its contractors.

- **SCA 5 (Hancock; D-Berkeley)** **Lowers Vote Requirement for Tax Increases** — Adds complexity and uncertainty to the current tax structure and pressure to increase taxes on commercial, industrial and residential property owners by giving local governments new authority to enact special taxes, including parcel taxes, by lowering the vote threshold from two-thirds to 55%.

Increased Burdensome Environmental Regulation

- **AB 356 (Williams; D-Santa Barbara)** **Limits In-State Energy Development** — Jeopardizes high-paying middle class jobs in resource extraction fields by severely restricting wastewater injection sites and requiring unnecessary monitoring of those sites.

- **AB 1490 (Rendon; D-Lakewood)** **Limits In-State Energy Development** — Drives up fuel prices and energy prices by imposing a de facto moratorium on well stimulation activities by halting the activity after an earthquake of a magnitude 2.0 or higher.

- **SB 32 (Pavley; D-Agoura Hills)** **Halts Economic Growth** — Increases costs for California businesses, makes them less competitive and discourages economic growth by adopting further greenhouse gas emission reductions for 2030 and 2050 without regard to the impact on individuals, jobs and the economy.

Increased Health Care Costs

- **SB 546 (Leno; D-San Francisco)** **Health Care Rate Regulation** — Threatens employers with higher premiums and interferes with their ability to negotiate with health plans by imposing unnecessary and burdensome new reporting requirements on health plans and insurers in the large group market, and giving the Department of Managed Health Care and the Department of Insurance authority to modify or deny all

rate changes in the large group market.

Economic Development Barriers

- **AB 359 (Gonzalez; D-San Diego)** **Costly Employee Retention Mandate** — Inappropriately alters the employment relationship and increases frivolous litigation by allowing a private right of action and by requiring any successor grocery employer to retain employees of the former grocery employer for 90 days and continue to offer continued employment unless the employees' performance during the 90-day period was unsatisfactory.

- **SB 576 (Leno; D-San Francisco)** **Stifles Mobile Application Technology Development** — Stifles innovation and growth in the mobile application economy and creates unnecessary and costly litigation by mandating unnecessary, redundant and impractical requirements that will leave many current and future mobile applications unusable, with no benefit to the consumer.

Increased Unnecessary Litigation Costs

- **AB 244 (Eggman; D-Stockton)** **Private Right of Action Exposure** — Jeopardizes access to credit for home mortgages, increasing the challenge to attract business to California because of high housing prices, by extending the homeowner's bill of rights to others, thereby opening the door to more private rights of action.

- **AB 465 (Hernández; D-West Covina)** **Increased Litigation** — Significantly drives up litigation costs for all California employers as well as increases pressure on the already-overburdened judicial system by precluding mandatory employment arbitration agreements, which is likely pre-empted by the Federal Arbitration Act.

- **SB 203 (Monning; D-Carmel)** **Lawsuit Exposure** — Exposes beverage manufacturers and food retailers to lawsuits, fines and penalties based on state-only labeling requirements for sugar-sweetened drinks.

Tools to stay in touch with your legislators.

calchambervotes.com

Senate Committee Moves Bill Encouraging International Trade/Tourism



SUPPORT

A California Chamber of Commerce-supported bill that encourages international trade and tourism by creating an enhanced driver license unani-

mously passed the Senate Transportation and Housing Committee earlier this week.

SB 249 (Hueso; D-San Diego) allows for the creation of an enhanced driver license (EDL) for U.S. citizens in order to reduce congestion at ports of entry along the California-Mexico border.

Costly Delays

The ports of entry along the California-Mexico border are among the busiest in the world. Each year, 45 million vehi-

cle passengers cross the border via one of the six ports of entry.

At San Ysidro Port, 50,000 vehicles are processed by 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 delays result in an estimated loss of \$1.2 billion in revenues.

Reduces Wait Times

SB 249 will relieve the border congestion by implementing the federal EDL program. This program permits U.S. residents with an EDL to have 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 look quickly at the results and focus on the traveler’s vehicle as opposed to scanning documents—reducing wait time by up to 60%.

By reducing border wait times, SB 249 will promote economic growth though the increased movement of both travelers and consumers.

Key Vote

SB 249 unanimously passed Senate Transportation and Housing on April 7 11-0.

Ayes: Allen (D-Santa Monica), Bates (R-Laguna Niguel), Beall (D-San Jose), Cannella (R-Ceres), Gaines (R-Rocklin), Galgiani (D-Stockton), Leyva (D-Chino), McGuire (D-Healdsburg), Mendoza (D-Artesia), Roth (D-Riverside), Wieckowski (D-Fremont).

Staff Contact: Jeremy Merz

New Heat Illness Regulations to Take Effect May 1



Changes to California’s heat illness prevention regulations will take effect on May 1, in time for this year’s growing season and warmer summer weather, now

that the Office of Administrative Law has approved them and granted the Occupational Safety and Health Standards Board’s request for an accelerated effective date.

Regulation Changes

The changes include several significant provisions:

- Access to shade must be provided when temperatures exceed 80 degrees, instead of the current standard of 85 degrees;
- A change to what is considered “potable water” that must be made available to employees;
- Monitoring of employees taking a “preventative cool-down rest”; and
- Changes to high heat procedures.

Free Downloadable Chart

Cal/OSHA has created a chart to address the changes and provide guidance on how to implement the new regulations.

The chart can be downloaded free of charge from **HRCalifornia**, www.calchamber.com/Heat-Illness-Regulation-Amendment-Chart, and from Cal/OSHA’s heat illness information page, www.dir.ca.gov/dosh/HeatIllnessInfo.html.

Cal/OSHA also updated its Heat Illness Prevention Enforcement Q&A, www.dir.ca.gov/dosh/heatIllnessQA.html, and plans to revise educational materials on its website shortly.

Conference Call: April 16

Cal/OSHA will hold a conference call on heat illness prevention next week to update and take questions from Heat Illness Prevention Network members on topics relating to the Heat Illness Prevention Standard; the general public can call in as well.

The Heat Illness Prevention Network Telephone Conference Call will be held

April 16 at 3 p.m. PDT.

Call-In Information

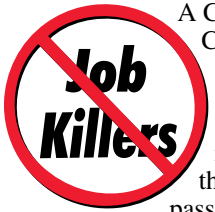
- To call in, dial (800) 369-1763.
- This is an operator-assisted call; the verbal pass code is H I P 2015.
- The call will include a Q&A session with directions on how to ask a question.
- To submit questions in advance of the call, please send via email to heat@dir.ca.gov.

The Heat Illness Prevention Network is a voluntary public/private partnership established to increase both employers’ and employees’ awareness of the hazard of heat illness and the importance of heat illness prevention measures to prevent fatalities and serious illnesses in California workplaces.

Network members, which include the California Chamber of Commerce, work together to help prevent heat illness in workplaces throughout California, in partnership with Cal/OSHA, by providing timely information to employers and employees.

Staff Contact: Gail Cecchetti Whaley

Fuel Price Increase Bill Gets Committee OK



A California Chamber of Commerce-**opposed** “job killer” bill that increases the cost of business and creates regulatory burdens throughout the state passed a Senate policy committee this week.

SB 350 (de León; D-Los Angeles) mandates a 50% reduction in the use of petroleum fuel, requires half the state’s electricity to come from renewable sources, and mandates that energy efficiency in existing buildings be increased by 50%—all by 2030.

The CalChamber urged the Senate Energy, Utilities and Communications Committee to reject SB 350 as setting an arbitrary and unrealistic reduction of petroleum use, increase in the current Renewable Portfolio Standard and increase in building energy efficiency without regard to the impact on individuals, jobs and the economy.

Concerns raised by several committee members mirrored CalChamber objections, including the bill’s potential impact on fuel availability and cost, job displacements, and leaving decisions with potent economic consequences to a regulatory agency.

Broad Authority Undefined

SB 350 provides broad and undefined authority to the California Air Resources Board (CARB) to adopt regulations, standards and specifications “in furtherance of achieving a reduction of petroleum use in motor vehicles by 50% by

January 1, 2030.”

The bill does not specify whether CARB should adopt and implement policies that have an impact on the demand for petroleum fuels, or whether it should adopt and implement policies that affect the supply of transportation fuels. SB 350 provides a blank check delegation of authority to CARB, and in doing so, gives no consideration to the cost or job loss associated with this yet-to-be-determined regulation.

Fuel Supply, Cost

Most of California’s businesses and families rely on petroleum for day-to-day transportation needs. SB 350 could compromise the availability of transportation fuels.

The California Energy Commission reported in its *2014 Integrated Energy Policy Report* that 92% of all transportation fuels in California are made up of petroleum. Businesses rely on petroleum to transport goods and people, and it is unclear how the arbitrary goal in SB 350 will be met. Will there be a 50% straight reduction in the production of petroleum in the state? Will we have to ration petroleum to achieve the 50% reduction? At what cost?

In addition to the 50% reduction in petroleum use, SB 350 seeks to increase the current Renewable Portfolio Standard from 33% to 50%, as well as increase energy efficiency in buildings to 50%. Both these policies will significantly increase costs to ratepayers.

California’s energy price per kilowatt

hour is among the highest in the nation and the state’s energy efficiency standards are among the strongest. Mandating upgrades to meet increased energy efficiency standards while increasing the cost of energy will make California businesses less competitive.

Key Vote

SB 350 passed Senate Energy, Utilities and Communications on a vote of 8-3.

Ayes: Hueso (D-San Diego), Hertzberg (D-Van Nuys), Hill (D-San Mateo), Lara (D-Bell Gardens), Leyva (D-Chino), McGuire (D-Healdsburg), Pavley (D-Agoura Hills), Wolk (D-Davis).

Noes: Fuller (R-Bakersfield), Cannella (R-Ceres), Morrell (R-Rancho Cucamonga).

The bill will be considered next by the Senate Environmental Quality Committee.

Staff Contact: Amy Mmagu

Seminars/Trade Shows

From Page 2

tional Trade Association. April 30, San Jose. (831) 335-4780.

World Trade Week Kickoff Breakfast. Los Angeles Area Chamber. May 5, Beverly Hills. (213) 580-7569.

Japan/South Korea Trade and Leadership Mission. CalAsian Pacific Chamber. May 9–21, Seoul, South Korea and Tokyo, Japan. (916) 446-7883.

SelectUSA Road Show in Mexico. SelectUSA. May 12–14, Merida, Mexico City and Tijuana, Mexico. (202) 482-6800.

Orange County World Trade Week. Irvine Chamber and UPS. May 14, Irvine. (949) 502-4128.

SelectUSA Greater China Road Show. SelectUSA. May 18–29, Hong Kong, Shenzhen, Dongguan, Guangzhou, Shanghai, Shenyang and Dalian, China. (202) 482-6800.

Chongqing International Investment Fair. CalAsian Pacific Chamber. May 23–31, Chongqing/Chengdu, China. (916) 446-7883.

18th Annual International Business Luncheon. World Trade Center Northern California. May 28, Sacramento. (916) 321-9146.

Attorney General to Speak at Capitol Summit

From Page 1

updates on the status of the hottest major policy issues of concern to business.

Host Reception/Breakfast

Capitol Summit attendees are invited to attend the Sacramento Host Reception, an event co-sponsored by the CalChamber and the Sacramento Host Committee, made up of 30 Sacramento business leaders.

The Host Reception and Breakfast provide venues at which California leaders can meet, socialize and discuss the issues facing businesses, the economy and government.

Invitees to the host events include leaders from business, agriculture, the administration, education, the military and legislators from throughout the state, as well as international guests from the consular corps assigned to California.

Registration

Registration for the summit, reception and breakfast is \$60. Space is limited. The deadline to register is May 15. For more information or to register, visit www.calchamber.com/2015summit-host. **Staff Contact: Danielle Fournier**

ONE-DAY SEMINAR IN SACRAMENTO AND SAN DIEGO

Leaves of Absence: Making Sense of It All



Ask anyone who handles HR: managing leaves of absence is easier said than done. A complicated mix of federal and California employment laws govern how employers administer leaves and provide benefits. No one certainly wants to risk litigation for noncompliance in either instance.

“When you combine the considerable number of legally required leaves with the recent CFRA regulations effective July 1, we have a lot to cover,” said seminar co-presenter and employment law expert Erika Frank.

Sacramento: Wednesday, May 6, 2015, CalChamber
San Diego (La Jolla): Tuesday, June 16, 2015, The Lodge at Torrey Pines
9:00 a.m. – 4:00 p.m.

Cost: \$399.00 | Preferred/Executive Members: \$319.20



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