

ALERT

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 **CalChamber**
CALIFORNIA CHAMBER OF COMMERCE

Some Job Creator Bills Survive First Deadline



A handful of California Chamber of Commerce-supported job creator bills

remain eligible to advance in the legislative process this year following key deadlines.

Last Friday, May 1 was the deadline for bills to move from policy committees to fiscal committees in the house where the legislation originated. This Friday, May 8 is the deadline for nonfiscal bills to pass policy committees.

The job creator bills still alive are listed below along with their current locations.

Creates Construction Jobs

[AB 35 \(Chiu; D-San Francisco\)](#) Creates Affordable Housing Opportunities. Expands the existing low-income housing tax credit program, making the state better able to leverage an estimated \$200 million more in Federal Tax Credits. *Assembly Revenue and Taxation Committee hearing May 11.*

[AB 323 \(Olsen; R-Modesto\)](#) Expedites and Reduces Cost for Roadway Repair and Maintenance Projects. Streamlines infrastructure development by extending until January 1, 2020 the current CEQA exemption for certain roadway repair and maintenance projects.

See Some Job Creator: Page 4

New Tax Targeting Sweetened Beverages Threatens Jobs



A proposal targeting certain beverages for a new tax is the newest addition to the California Chamber of Commerce “job killer” list.

[AB 1357 \(Bloom; D-Santa Monica\)](#) threatens jobs in the beverage, retail and restaurant industries by arbitrarily and unfairly targeting certain beverages for a new tax in order to fund children’s health programs.

AB 1357 is set for hearing in the Assembly Health Committee on May 12.

Tax, Not a Fee

Despite its description as a “health impact fee,” AB 1357 actually seeks to impose a \$0.02 excise tax on each fluid ounce of a bottled sweetened beverage and a \$0.02 excise tax on each fluid ounce produced from a concentrate from which a sweetened beverage is derived.

The revenue from this tax would be used to fund the Children and Family Health Promotion Trust, which would provide state agencies with the authority to issue grants to county governments, non-profits and other community organizations to invest in childhood obesity and diabetes prevention, as well as oral health.

Given that the recipients of the benefit from this revenue would be beyond just those that actually pay the “fee” and that the “fee” does not fall within any of the other listed exceptions under the California Constitution, it is a tax.

See New Tax: Page 6

Forum Highlights Mexico/California Trade



Photo by Sara Espinosa

A CalChamber-hosted international luncheon focuses on trade and investment opportunities in Mexico and California with speakers (from left) Marcelo Sada, Source Logistics; Dr. José Blanco, Central Valley Fund Capital Partners; and Dr. Pedro Javier Noyola, Aklara and the NAFTA Fund. [Story on Page 7.](#)

Inside

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Labor Law Corner

Many Health Care Providers Can Give Medical Certification of Disability



David Leporiere
HR Adviser

One of my employees asked to have his work station modified to accommodate a disability of which we were not aware. When we asked him to provide medical certification of the disability, the employee brought us a note from his acupuncturist. I thought the certification had to come from a medical doctor. Do we have to accept the note from his acupuncturist?

Yes, a medical certification from an acupuncturist is acceptable under the California Fair Employment and Housing Act (FEHA).

Employees in California are protected from discrimination related to their disabilities under the terms of the FEHA. In addition, the FEHA provides disabled employees with protections similar to those provided by the federal Americans with Disabilities Act.

Certifying Disability

The regulations implementing the FEHA allow an employer to require an employee with a disability that is not readily identifiable to provide medical certification of the disability from a “health care provider” before beginning the interactive process of determining the reasonable accommodation of that disability.

The term “health care provider” is defined at Title 2, Section 11065(i) of the California Code of Regulations.

Many Health Care Services

The definition of “health care provider” set forth in that code section

includes not only a medical doctor, but also a marriage and family therapist or acupuncturist, licensed in California or in another state or country.

Also included are any other persons who meet the definition of “others capable of providing health care services” under the federal Family Medical Leave Act and its implementing regulations.

These other health care providers include podiatrists, dentists, clinical psychologists, optometrists, chiropractors, nurse practitioners, nurse midwives, clinical social workers and physician assistants.

So, be careful not to dismiss notes from nontraditional health care providers when requiring your employees to provide medical certification of their disabilities.

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. June 10, Santa Clara; August 18, Sacramento; September 2, Laguna Beach. (800) 331-8877.

Business Resources

Small Business Development Centers Webinar. GO-Biz. May 20, Webinar.

Unemployment Insurance 101: The Basics. National Foundation for Unemployment Compensation and Workers' Compensation. June 17, San Diego. (916) 501-6347.

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

International Trade

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.

Chinese IP Policy and Trends. U.S. Patent and Trademark Office and UC San Diego. May 19, La Jolla. (858) 534-8049.

ASEAN Economic Community Trade Forum. Los Angeles Area Chamber. May 20, San Pedro. (213) 580-7500.

21st Annual World Trade Conference. California Inland Empire District Export Council. May 21, Riverside.

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.



Bill Undermining Workers' Comp Reforms Awaits Consideration on Senate Floor



A California Chamber of Commerce-opposed “job killer” bill that undermines cost-saving workers’ compensation reforms will be considered next by the full Senate.

SB 563 (Pan; D-Sacramento) undermines the entire medical treatment review process in California’s workers’ compensation system, thereby exposing injured workers to potentially inappropriate treatment, triggering significant system cost increases and subverting the recent data-driven reform process.

SB 563 alters the current medical treatment review process—reformed through a joint labor-management negotiated legislative package—by limiting the application of that process.

Cost Increases

The recently enacted Independent Medical Review (IMR) process was estimated to save nearly \$400 million by increasing the efficiency of resolving medical disputes. By significantly undermining the IMR process, SB 563 threatens to eliminate potential savings from the recent reforms and drive employer costs higher in what already is the country’s most expensive workers’ compensation system.

Undermines Treatment Review

The current process of reviewing

medical treatment requests to ensure consistency with evidence-based treatment guidelines includes both utilization review and IMR. The process was designed to ensure injured workers receive the most necessary, effective and appropriate treatment.

The process is heavily regulated with prescriptive statutes and rules, limited treatment review timeframes, thorough performance audits by the Division of Workers’ Compensation, and a robust penalty scheme for noncompliance.

Currently, decisions to delay, deny, or modify a treatment recommendation must be made by a physician, not by a claims administrator. This process serves as a limited check on dangerous care and results in approval of nearly 95% of requested treatment. Yet SB 563 undercuts that process by creating ambiguous exceptions. In many situations under SB 563, the initial approved treatment would stand without question as to its appropriateness in the future.

For example, if an initial treatment request for opioid medication was approved, all subsequent requests for the same medication (even if they did not fit within the evidence-based medical guidelines) would be approved unless the provider indicated a change in the injured worker’s status—a conclusion that would not be subject to review. Employers would not be able to seek a review for the appropriateness of the prescription, nor

could they seek an independent review through the IMR process.

This potential outcome of SB 563 is of particular concern in light of the ongoing overutilization of opioids and other dangerous prescription drugs in the California workers’ compensation system.

Litigation

In addition to the impact on medical treatment decisions, SB 563 would result in a great amount of litigation and undermine recent efforts to take medical decisions out of the hands of unqualified administrative law judges. SB 563 gives judges the power to determine that utilization review and IMR processes do not apply, and to override medical decisions.

SB 563 puts medical decisions squarely back in the hands of judges, thereby exposing injured workers to long calendar delays for hearings and employers to higher litigation costs.

Subverts Data-Driven Reforms

The recent system reforms were developed through data-driven analyses that allowed stakeholders to thoughtfully vet and better understand the impacts of any proposed system changes. The result was a balanced reform that has moderated system cost increases while providing nearly \$1 billion in new benefits.

SB 563 veers away from this approach by creating massive system changes without any review or understanding of the policy’s impacts. The lack of information and analysis threatens to trigger huge cost swings that the reforms sought to prevent.

Key Vote

The bill passed the Senate Labor and Industrial Relations Committee on a party-line vote on April 29, 4-1.

Ayes: Mendoza (D-Artesia), Jackson (D-Santa Barbara), Leno (D-San Francisco), Mitchell (D-Los Angeles).

No: Jeff Stone (R-Temecula).

Action Needed

The CalChamber is urging members to ask their senators to **oppose SB 563**.

An **easy-to-edit sample letter** is available at www.calchambervotes.com.

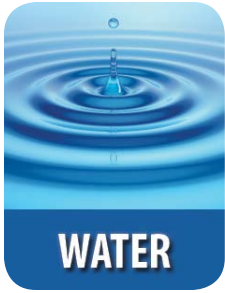
Staff Contact: Jeremy Merz

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State Water Board Targets Outdoor Uses with Emergency Rule Ordering 25% Cut



The State Water Resources Control Board this week adopted an emergency regulation requiring a 25% reduction of potable water use in urban areas statewide.

Water Board Chair Felicia Marcus described the mandated reduction as “a high but achievable bar, with the goal of stretching urban California’s water supply.”

In response to questions at the lengthy May 5 hearing preceding adoption of the emergency regulation, Marcus clarified that the required cut in potable water use doesn’t apply to water used to meet cleanliness standards affecting public health and safety. One example would be washing dishes or equipment at a hospital or restaurant.

Moreover, the 25% reduction target applies to an entire water district, not a specific business. Comments from board members indicated that being able to show evidence of its water use efficiency could be helpful for a business if its water use is questioned.

Conservation Standard

The emergency regulation targets outdoor water use, which the state water board says accounts for an average of 50% and in some cases as much as 80% of total residential use.

A release from the water board stated that every person should be able to keep indoor water use to no more than 55 gallons per day.

Communities that are near, at or below the indoor target are being assigned a “modest conservation standard,” according to the board, while communities where water use is above the target “will be asked to do much more.”

The emergency regulation puts urban water suppliers into one of eight tiers, with conservation standards ranging from 4% to 36%. Water use will be compared to the same month in 2013.

The water board is leaving to the local water agencies the responsibility of determining the most cost effective and locally appropriate way to meet the standard. Local agencies can fine property owners up to \$500 a day for failing to implement water use restrictions.

Effective Date

The new requirements will take effect June 1 and continue into February, if approved by the Office of Administrative Law, which has 10 days to act.

More information, including a summary of new and existing water use restrictions, is available at the Emergency Water Conservation website of the state water board at www.swrcb.ca.gov.

Staff Contact: Valerie Nera

Some Job Creator Bills Survive First Deadline

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Passed Assembly, April 27; awaits assignment to a committee in the Senate.

Improved Legal Climate

AB 54 (Olsen; R-Modesto) Disability Access Litigation Reform. Seeks to limit frivolous litigation regarding construction-related accessibility standards by incentivizing employers to obtain a Certified Access Specialist inspection by providing a tax credit for such inspections. *Assembly Revenue and Taxation hearing May 11.*

SB 67 (Galgiani; D-Stockton) Disability Access Litigation Reform. Seeks to limit frivolous litigation against small businesses and those that have sought to comply, by limiting remedies to injunctive relief and expanding the current period to correct any violation from 60 to 120 days. *Senate Judiciary Committee hearing May 12*

SB 251 (Roth; D-Riverside) Incentivizing Disability Access and Education. Seeks to limit frivolous litigation and claims regarding construction-related

accessibility claims by providing businesses who have proactively sought to become Americans with Disabilities Act-compliant with an opportunity to resolve any identified violations as well as provide a limited period in which to resolve technical violations that do not actually impede access.

Tourism

SB 249 (Hueso; D-San Diego) Enhanced Driver’s License. Encourages international trade and tourism by authorizing the Department of Motor Vehicles to issue enhanced driver licenses to U.S. citizens to expedite legal traffic at the border. *In Senate Appropriations Committee.*

Two-Year Bills

Following are bills that either missed deadlines to advance this year or whose authors have indicated they do not plan to pursue action this year. The bills will be eligible to be considered in January 2016.

AB 52 (Gray; D-Merced) Disability

Access Litigation Reform. Seeks to improve access for disabled customers and limit frivolous litigation against businesses for construction-related accessibility claims by providing an opportunity for the businesses to timely resolve any potential violations. *In Assembly Judiciary Committee.*

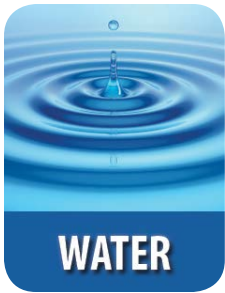
AB 641 (Mayes; R-Yucca Valley) Expedites and Reduces Cost for Housing Projects. Streamlines and reduces regulatory burdens for the approval and construction of housing developments by providing an expedited review process under the California Environmental Quality Act. *Failed passage in Assembly Natural Resources Committee, April 27.*

AB 588 (Grove; R-Bakersfield) Reduces Frivolous Litigation. Seeks to limit frivolous litigation under the Labor Code Private Attorneys General Act, by allowing an employer a 33-day right to cure technical violations on an itemized wage statement that did not cause any injury to the employee. *In Assembly*

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Governor Revises Plan to Fix State's Aging Water Infrastructure

CalChamber, Broad-Based Coalition Support New Plan



The California Chamber of Commerce and a broad-based coalition are supporting the revised plan announced by the Governor to fix California's aging water infrastruc-

ture and create a more secure water supply for the state.

The coalition, Californians for Water Security, includes labor unions, family farmers, businesses, local governments and water agencies.

The coalition urges immediate action moving forward with the plan, warning that the status quo leaves water supplies for two-thirds of the state's population in jeopardy, especially during a drought or a natural disaster like an earthquake.

Immediate Need

"California's historic drought is a stark reminder that we need to address the state's severe water infrastructure problems immediately," said CalChamber President and CEO Allan Zaremberg. "It is time to support the Governor's 'California Water Fix' to secure our water system into the future."

The California Water Fix is a state-of-the-art solution providing reliable, clean water for the state.

Currently, two-thirds of water for Californians starts in the Sierra Nevada range and flows through the state's main water distribution system through the Sacramento-San Joaquin Delta to other parts of the state, including Northern California, the Bay Area, Central Valley and Southern California.

But this system of aging dirt levees, aqueducts and pipes is outdated and at risk of collapse in a major earthquake or flood. Problems with this aging system have already resulted in significant water supply cutbacks and shortages for people, farms and businesses, as well as damage to fish, wildlife and the environment.

"We can't just cross our fingers, hoping for the best in the Delta," said Governor Edmund G. Brown Jr. at the April 30 news conference announcing the plan. "Fish populations are at an all-time low. Bold action is imperative. We've listened to the public and carefully studied the science. This revised plan is the absolute best path forward."

The Governor's plan is the culmination of nearly a decade of extensive expert review, planning and scientific and environmental analysis by the state's leading water experts, engineers and

conservationists, and unprecedented public comment and participation.

The status quo and the state's failure to upgrade its main water distribution system have led to dire consequences for California's family farmers, who have been forced to leave fields unplanted or rip out orchards as drought and a failing water delivery system have cut off their surface water supply.

California Water Fix

The California Water Fix (an update to the proposed Bay Delta Conservation Plan) will:

- Improve the safety of the state's water system and protect water supplies by delivering them through a modern water pipeline rather than solely through today's deteriorating dirt levee system.
- Build a water delivery system that is able to protect water supplies from earthquakes, floods and natural disasters.
- Improve the ability to move water to storage facilities throughout the state so the water can be captured for use in dry years.
- Restore more natural water flows above ground in rivers and streams in order to reduce impacts on endangered fish and other wildlife.
- Protect and restore wildlife and the environment of the Sacramento-San Joaquin Delta.

Fact sheets including diagrams of the "refined tunnel option and intake design" and a map of key project components are available at www.CaliforniaWaterFix.com.

What's Next

The California Water Fix will be the subject of a Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement, expected to be released this summer.

A separate effort, which the administration has dubbed California Eco Restore, will focus on accelerating restoration of the Delta ecosystem.

Staff Contact: Valerie Nera

Some Job Creator Bills Survive First Deadline

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Labor and Employment Committee.

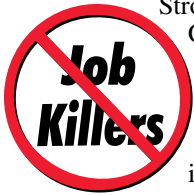
AB 1252 (Jones; R-Santee) Protects Businesses from Proposition 65 Lawsuits. Provides needed relief to small businesses by prohibiting a person from bringing a Proposition 65 lawsuit against a business employing fewer than 25 employees. *Failed passage in Assembly Environmental Safety and Toxic Materials Committee, April 14. Reconsideration granted.*

AB 1470 (Alejo; D-Salinas) Reduction of Costly Employment Class Action Litigation. Limits frivolous class action litigation against employers in California who are creating high-paying

jobs by creating a rebuttable presumption that employees earning at least \$100,000 and performing no manual labor and at least one exempt duty are exempt from overtime requirements. *In Assembly Labor and Employment.*

AB 1038 (Jones; R-Santee) Flexible Workweek. Provides employers with the opportunity to accommodate employees' needs as well as business demands by allowing employees to request a voluntary, flexible workweek agreement that can be repealed by the employee at any time with proper notice. *Failed passage in Assembly Labor and Employment, April 22. Reconsideration granted.*

Opposition Stops, Delays ‘Job Killer’ Bills



Strong opposition from the California Chamber of Commerce and other business groups means several “job killer” bills won’t be advancing this year.

Short of Votes

Legislation to require warnings on certain sugar-sweetened beverages sold in California fell short of votes needed to pass the Senate Health Committee on April 29.

The CalChamber labeled **SB 203 (Monning; D-Carmel)** as a “job killer” because it would have exposed beverage manufacturers and food retailers to lawsuits, fines and penalties based on state-only labeling requirements for sugar-sweetened drinks.

Delayed to 2016

The authors of the following “job killer” bills have opted to delay consideration of the proposals until next year:

- **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.

The CalChamber pointed out the bill will lead to higher costs to purchase homes in the state through reduced access to credit.

• **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.

Mobile applications threatened by SB 576 include ridesharing programs and other industry and public sector applications that make use of real-time geo-location information.

SB 203: Soda Labeling

SB 203 would have required certain beverages to contain this warning: “STATE OF CALIFORNIA SAFETY WARNING: Drinking beverages with added sugar(s) contributes to obesity, diabetes, and tooth decay.”

The bill was very specific about the size of type, placement of warning and characters per linear inch on each product according to the amount of beverage contained. Vending machines, self-serve dispensers and sit-down restaurants all were to provide the warning.

SB 203 would have exposed manufacturers and retailers of sweetened beverages to significant liability. Consumers would have been able to sue for a violation of the labeling requirement under California’s Unfair Competition Law. A business

therefore could have incurred a civil penalty of up to \$500, and also would have had to defend itself against lawsuits.

It is conceivable that a class action lawsuit would have been filed based on the assertion that consuming sugar-sweetened beverages contributes to a person’s obesity, diabetes and tooth decay, and that companies would be held liable for millions of dollars of awards for a person’s choice to consume the beverage.

Manufacturers make and sell products nationwide and globally. SB 203 would have unfairly burdened companies with the requirement to label products specially for the California market. Small ethnic businesses would have been particularly vulnerable as more of their profits are from products made in other countries whose manufacturers might have chosen not to do a label just for the California market.

Key Vote on SB 203

The April 29 vote in Senate Health was 4-1, one short of the aye votes needed for the bill to pass:

Ayes: Mitchell (D-Los Angeles), Monning (D-Carmel), Pan (D-Sacramento), Wolk (D-Davis).

Noes: Nielsen (R-Gerber).

No vote recorded: Ed Hernandez (D-West Covina), Nguyen (R-Garden Grove), Hall (D-Los Angeles), Roth (D-Riverside).

Staff Contacts: Valerie Nera, Jeremy Merz

New Tax Targeting Sweetened Beverages Threatens Jobs

From Page 1

Higher Prices/Job Loss

This targeted tax will certainly be passed on to consumers through higher prices. As a result of the passage of Proposition 30, California now has the highest sales and use tax rate in the nation at 7.5%, as well as the highest personal income tax bracket at 13.3%. AB 1357 will only contribute to the overall costs of living in this state.

Moreover, given that the intended effect of AB 1357 is to deter consumers from purchasing such beverages or concentrates, it will have a direct impact on the beverage industry and its employees. This proposed tax will force these businesses to adjust for their losses, including potential reductions in their workforce.

The business community consistently maintains that, if a tax is necessary, it should be only temporary and broad based so that the impact is minimized as the tax burden is shared by all instead of an individual business or industry.

New Revenue Pressure

As set forth above, AB 1357 would create a new fund from the excise tax in order to educate, prevent and improve childhood obesity as well as dental health.

The CalChamber appreciates the effort to address this health issue, but is concerned by the creation of additional state programs that ultimately may rely upon General Fund revenue in order to survive.

If AB 1357 deters consumers from purchasing sweetened beverages, as

intended, then the excise tax is a decreasing revenue source. The programs AB 1357 creates will experience a loss of funding, thereby potentially placing more pressure on the General Fund to replace this declining revenue.

California has struggled with budget cuts and revenue loss. Although the passage of Proposition 30 has provided relief, there is not necessarily additional revenue to support more programs.

Action Needed

The CalChamber is urging members to contact their Assembly representatives to ask them to **oppose AB 1357**.

An **easy-to-edit sample letter** is available at www.calchambervotes.com.
Staff Contact: Jennifer Barrera

CalChamber Lunch Spotlights Opportunities in Mexico, California Trade/Investment



Trade and investment opportunities in Mexico and California were the topic of discussion on May 5 at the California Chamber of Commerce International Luncheon Forum.

The forum was part of the VI California-Mexico Advocacy Day organized by Mexico's Consulate General under the leadership of Gilberto Luna, acting consul general. The mission of the advocacy day was to increase the relevance of Mexico's relationship with California by raising awareness of bilateral investment opportunities.

Speakers at the CalChamber luncheon forum touched on trade issues and answered questions from attendees.

Luncheon Speakers

Is North America Coming of Age as NAFTA Turns 21?

Dr. Pedro Javier Noyola, director general of Aklara and the NAFTA Fund, talked about how the North American Free Trade Agreement (NAFTA) has benefited Mexico.

Mexico used to be a really closed economy, Noyola explained. Twenty years ago, the trade to gross domestic product (GDP) ratio was about 20%; today it's about 70%. "And the big jump was due to NAFTA," he said.

In the last 20 years, two-way trade in goods between Mexico and the United States increased dramatically, from \$81.4 billion in 1993 to \$534.5 billion in 2014. Mexico has remained the United States' second largest export market since 1995, with a total value of \$240.3 billion in 2014. Top export categories from the U.S. to Mexico included computer and electronic products, transportation equipment, chemicals, and non-electrical machinery.

"You see a statistical effect of NAFTA really changing the path of openness," Noyola said. "Exports, plus imports over GDP has tripled over the last 20 years. So

Mexico has become open, and that's very important because our tradable sector is disciplined by international prices."

Noyola added there is "a ton of production sharing between the United States and Mexico."

For an average U.S. import from Mexico, the total U.S.-produced content is 40%. By comparison, the U.S. content of Chinese imports is 4%.

In closing, Dr. Noyola touched on the Trans-Pacific Partnership Agreement and Transatlantic Trade and Investment Partnership. He said that NAFTA created a

the two regions, Blanco said. In 2014, California exported more than \$664 million in agricultural products to Mexico.

Build on California-Mexico Relationship

The final speaker, Marcelo Sada, chief executive officer of Source Logistics, explained how his company got started using California as a platform and evolved.

"California and Mexico are profoundly integrated as partners rather than competitors in the global economy," he said.

Mexican companies are investing and creating jobs across the United States, Sada explained, showing a map and

noting that Mexican-owned companies operate more than 6,500 businesses in the U.S. In fact, the U.S. is the main destination for Mexican foreign direct investment (FDI), with Mexican companies investing more than \$43 billion.

Drilling down to the state level, Mexican companies operate 735 business establishments in California and provide 13,296 jobs.

Sada said when he asked people what they thought of Mexico before, he got responses like, "cheap labor, unprepared labor and assembly." Now, he said, people need to think of Mexico differently because the country is known for highly qualified labor and high tech production.

California-Mexico Cooperation

CalChamber Policy Advocate Marti Fisher also participated in an informational hearing about coordinating economic partnerships and fostering economic development with Mexico during a meeting of a Senate select committee chaired by Senator Ben Hueso (D-San Diego) on May 5.

Fisher reiterated the CalChamber's longtime support for promoting trade and investment between California and Mexico and the assistance it provided in last July's trade and investment mission.

Trading Partner Portal: Mexico

For more information, visit www.calchamber.com/Mexico.

Staff Contact: Susanne T. Stirling



Photos by Sara Espinosa

Dr. Pedro Javier Noyola

Dr. José Blanco

Marcelo Sada

"huge competitive boost for its firms relative to the two other big regions of the world, and the challenge is to not erode that competitiveness as things are going on to the East and West."

Increased Economic Integration

Dr. José Blanco, principal with Central Valley Fund Capital Partners, said that California and Mexico are becoming a "super regional economy," with the combined GDPs amounting to \$3.6 trillion.

"That's like Germany, in terms of an economy," Blanco explained. "We see those numbers becoming even more integrated."

Looking at the level of trade dependencies, \$25 billion for exports plus \$41 billion for imports, equals \$66 billion of commerce between Mexico and California. "That's a very important economic engine," Blanco said. "There are about 700,000 jobs in California that depend on that commerce."

California trade with Mexico has grown 341% in the last 20 years and is expected to grow 7%–10% annually.

Central Valley agriculture also is an important source of commerce between

LIVE WEBINAR | THURSDAY, MAY 21, 2015 | 10:00 - 11:30 A.M. PT



Paid Sick Leave Checkup for California Employers

While the Healthy Workplaces, Healthy Families Act of 2014 (AB 1522) took effect January 1, 2015, California employers are required to provide the paid sick leave benefit starting July 1, 2015. With very few exceptions, this mandate applies to all private and public employers, regardless of size.

If you attended CalChamber's "California's New Paid Sick Leave" webinar in November 2014, our May webinar revisits AB 1522's requirements. It also covers compliance how to's, as well as information from the Labor Commissioner's Office. The wording of the law's provisions has certainly generated lots of questions.

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



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