

ALERT



Chamber Boosts Trade Links on Successful China Mission

Opportunities for California businesses to expand in the diverse China marketplace were the focus of the trade mission recently completed by California Chamber President Allan Zarembeg and a delegation of state leaders led by Governor Arnold Schwarzenegger.

The six-day trade mission to the world's largest marketplace of 1.2 billion people included events to market California agriculture, encourage tourism, discuss intellectual property rights and promote business investment in the state.

"We applaud the Governor's decision to lead the delegation on a successful trip to explore opportunities for California businesses to expand in a diverse marketplace," said Zarembeg. "California and

China have a complex relationship with a long and intertwined history. This trip helped to encourage discussion in the areas of trade, energy, tourism, agriculture, natural and renewable resources, and intellectual property, all of which are integral to business in California."

The business and trade mission arrived in Beijing on Monday, November 14, traveled to Shanghai on Wednesday, November 16 and then to Hong Kong on Friday, November 18. The mission departed China on November 19.

Leading Industries Represented

The Governor led the delegation of 75 California employers representing
See California: Page 6

Governor Names New Chief of Staff



Susan Kennedy

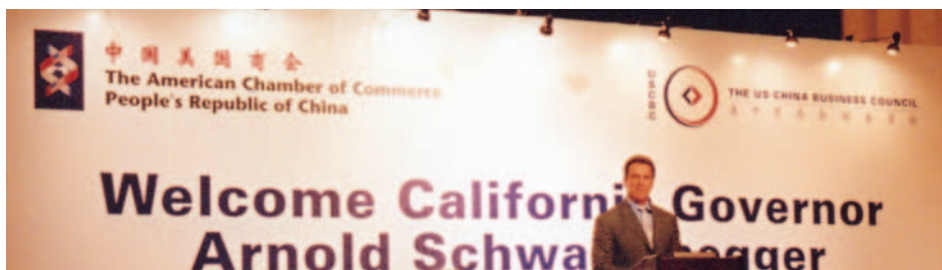
Governor Arnold Schwarzenegger has named Susan Kennedy, a member of the California Public Utilities Commission (PUC), as his new chief of staff.

Kennedy succeeds Patricia Clarey in the key administration post.

After the Governor's announcement of the appointment this week, California Chamber President Allan Zarembeg released the following statement:

"I have the highest respect for Susan and know that she will be a terrific asset to Governor Schwarzenegger's admin-

See Governor: Page 3



(Above) Governor Arnold Schwarzenegger discusses issues affecting U.S.-China business relations at a November 15 luncheon hosted by the American Chamber of Commerce in Beijing and the U.S.-China Business Council. The nearly 500 attendees included representatives from U.S. companies in China and Chinese companies interested in the California market. (From left) Emory Williams of Sureblock, chair, the American Chamber of Commerce in Beijing; California Chamber President Allan Zarembeg; and Charles M. Martin, president, the American Chamber of Commerce in Beijing.

Chamber Updates HRCalifornia® Website



Responding to member suggestions, the California Chamber of Commerce has made significant improvements to its **HRCalifornia®** website to make it more user-friendly and accommodating to member needs.

See California: Page 4

Inside

Commentary: Seeking Solutions to Major State Issues: Page 3

California Chamber Boosts Trade Links on Successful China Mission

From Page 1

a cross-section of the state's leading industries, including computer, communications technologies, agriculture, tourism, financial services, environmental and energy technologies, transportation, and property development, among others.

The trip included meetings with Chinese business leaders and key government officials to discuss ways in which California can help meet China's growing needs.

Among those needs are products, services and technologies that can help China manage its exponential economic growth, estimated at 9.5 percent annually, protect its environment, reduce its dependence on fossil fuels, improve its communications infrastructure and modernize its banking system.

Beijing

The delegation itinerary included a stop at one of China's premier universities, Tsinghua University in Beijing. In addition, the Governor and the delegation were guests at a luncheon hosted by the American Chamber of Commerce in Beijing and the U.S.-China Business Council. Nearly 500 people attended the luncheon, including representatives from U.S. companies in China and Chinese companies interested in the California market.

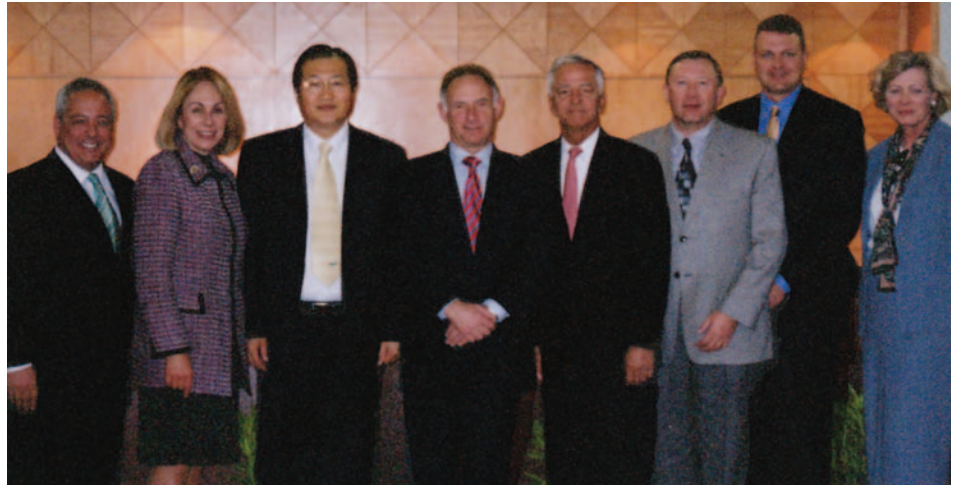
At the luncheon, the Governor noted that markets in China have opened steadily since the nation joined the World Trade Organization in 2001. He highlighted a variety of issues affecting U.S.-China business relations, including environmental cooperation and educational exchanges.

Unresolved issues discussed by the Governor included intellectual property rights, unclear regulations of the Chinese government and issues arising as the Chinese economy grows, including energy needs, soil erosion and goods movement.

Also in Beijing, the delegation attended the Made in California Expo. Organized by the California Commission for Jobs and Economic Growth, the expo showcased to a Chinese audience the products and services of more than 40 California companies, including food, wine and fashion.

Shanghai

The next stop was Shanghai, which will host the Special Olympics World Summer Games in 2007. Delegates visited Bao Steel outside Shanghai, where California



From left are Nate Garvis, vice president, Target; Sunne Wright McPeak, secretary of the California Business, Transportation and Housing Agency; Jin Xu, deputy director general, Ministry of Commerce, People's Republic of China; California Chamber President Allan Zaremberg; Eugene K. Pentimonti, senior vice president, Maersk Inc.; Rick Gabrielson, senior manager, Target; Alan McCorkle, senior vice president, APM Terminals; and Susanne T. Stirling, Chamber vice president, international affairs.



A public service announcement to discourage piracy features Governor Arnold Schwarzenegger and Hong Kong martial arts star Jackie Chan. The spot, produced by the California Jobs Commission and the Hong Kong Intellectual Property Department, began airing during the Governor's trade mission stop in Hong Kong and is scheduled to run for two months. The spot and more information are available at the commission's website, www.4cajobs.com.

wastewater treatment technology is helping conserve water and reduce pollution. Bao Steel is the largest steel plant in China and largest state-owned enterprise, employing more than 30,000 people. During a delegation trip to the Port of Shanghai, experts shared their ideas about how California can improve goods movement through its own ports.

An evening reception for more than 200 guests, including the California business delegation, preceded the Governor

and Maria Shriver attending the Shanghai Film Festival and premier of the latest Harry Potter movie.

The reception provided another opportunity to showcase California agricultural products, tourism and film in the Golden State.

Hong Kong

Moving on to Hong Kong, the Governor unveiled a new public service

See California: Page 7

California Chamber Boosts Trade Links on Successful China Mission

From Page 6

announcement, jointly produced by the California Jobs Commission and Hong Kong Intellectual Property Department, aimed at stamping out piracy of intellectual property, from software to agricultural and other consumer goods. China has worked hard in recent years to raise awareness of intellectual property rights and has made efforts to curb piracy.

The public service announcement

features the Governor and Hong Kong martial arts star Jackie Chan, who introduced the Governor and helped kick off the anti-piracy campaign at a November 18 luncheon co-hosted by the American Chamber of Commerce in Hong Kong and Hong Kong General Chamber of Commerce.

Governor Schwarzenegger acknowledged California's concerns with intellectual property rights at almost every

stop on the tour. While he acknowledged China's efforts, he also met with California's Chinese partners to discuss how they can cooperate to battle this illegal practice, which can discourage trade and economic partnerships.

For more information on the Chamber's positions on international trade issues, visit www.calchamber.com/international.

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China Trade Mission

Container Inspection System Uses Chamber Member Technology

Science Applications International Corporation (SAIC), a member of the California Chamber of Commerce, worked with other private industry stakeholders to develop and deploy the Integrated Container Inspection System (ICIS).

ICIS, in operation at the Hongkong International Terminal (HIT), was the focus of a tour for Chamber staffers and other members of the California business delegation that accompanied Governor Arnold Schwarzenegger on his trade mission to China in November.

ICIS provides the ability to quickly scan closed containers, assisting in efforts to locate potential weapons of mass destruction and other hazardous materials at the point of export without impeding the flow of commerce.

The system is a layered security approach that provides for the immediate deployment of private industry-funded equipment with public community involvement in the problem resolution and response protocols. ICIS represents a significant forward movement in addressing the global concerns for container security.

The global supply chain is highly vulnerable to exploitation as a means to commit acts of terrorism. Maintaining the consistent and reliable movement of goods are important factors in a stable global economy. More than a third of all sea cargo coming to the United States arrives first in the state



Keith Saunders (left), business development manager for California Chamber member Science Applications International Corporation (SAIC) leads a tour to spotlight a container inspection system developed by SAIC and in operation at the Hongkong International Terminal (HIT) for Assembly Republican Leader Kevin McCarthy (center) and Sunne Wright McPeak, secretary of the California Business, Transportation and Housing Agency. The scanning systems include a gamma ray imaging system (inset photo) that provides images of container contents. Radiation scanning, to provide a graphic profile of radioactivity levels inside the container, and optical character recognition (OCR) technology to automatically identify containers also are part of the SAIC Integrated Container Inspection System.

of California, making secure and reliable trade movements important to the state as well as the nation's economy. It has been pointed out multiple times that a problem of this magnitude can be solved only through public-private partnership.

Stakeholders in the Marine Transportation System are working to mitigate the

threat while maintaining the flow of containers through their facilities.

Future Alerts will highlight activities of other California Chamber member companies that participated in the trade mission to China.