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ALERT

CALIFORNIA CHAMBER OF COMMERCE

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Chamber Joins Governor on Trade Mission to China

California Chamber of Commerce President Allan Zaremberg joined Governor Arnold Schwarzenegger, members of the press and other members of the business delegation this week on a six-day trade mission to China to market California agriculture, encourage tourism, discuss intellectual property rights and promote business investment in the state.

Strengthening Trade Ties

"The business and trade mission to mainland China led by Governor Schwarzenegger will serve to strengthen ties and increase economic opportunities in the world's largest marketplace of 1.2 billion people," said Susanne Stirling, vice president of international affairs for the Chamber and member of the business delegation.

"In keeping with long-standing policy, the Chamber supports free trade worldwide. We encourage the expansion of trade and investment, fair and equitable market access for California products abroad and the elimination of disincentives that impede the international competitiveness of California businesses."

Building New Opportunities

The mission builds on the new opportunities that have opened for California companies since China entered the World Trade Organization in 2001.

The mission has been marketing California's agricultural products, high technology, film industries and environmental technologies.

In addition to encouraging tourism to

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Photo Courtesy Governor's Office

California Chamber President Allan Zaremberg introduces Governor Arnold Schwarzenegger at the opening reception for the California-China business and trade mission in Beijing.

Chamber Unveils New Look for Compliance Offerings

The California Chamber of Commerce has created a new brand for its multiple and varied products and services: CalBizCentral.™

CalBizCentral™ is a one-stop shop for affordable compliance resources that make California businesses run better.

In looking for improved ways to serve California businesses, the Chamber created CalBizCentral™ as a new, more descriptive representation for the same excellent information, products and services that customers have come to expect and rely on from the Chamber.

CalBizCentral™ presented by the California Chamber of Commerce℠ is a symbol of the mission and goals of the Chamber — helping California business do business — embodied in a specific product line.

Along with the name CalBizCentral™ comes a new logo, which will appear on catalogs, products and the CalChamber Store website, which is now ***calbizcentral.com***.

For more information, visit ***calbizcentral.com***.

Inside

Labor Law Corner

Employers Must Take Care When Withholding Paycheck Deductions

Barbara Wilber
Labor Law Advisor

We are considering withholding a deduction from an employee's final paycheck because we consider him grossly negligent for actions that resulted in a theft of tools. What potential penalties would we face if the employee files a claim with the Labor Commissioner?

The ability of an employer to deduct amounts from an employee's wages as reimbursement for damages or loss is specifically regulated by the Industrial Welfare Commission (IWC) orders and the Labor Code and is limited by court decisions.

As a general rule, the courts and the law do not allow employers to help themselves to an employee's wages through wage deductions. Public policy in California gives wages special consideration; therefore, any deductions from wages are severely restricted.

Employer Burden of Proof

Notwithstanding these limitations, Section 8 of the IWC orders allows a deduction from an employee's wages when the employer suffers loss due to an employee's gross negligence, willful misconduct or dishonesty.

The burden of proof would be on the employer to establish the basis for the withholding. An employer's assertion of gross negligence is not enough. Evidence must be provided that establishes negligence beyond incompetence, mistake or just simple negligence.

The Labor Commissioner further cautions that the provision of the IWC orders allowing a deduction for gross negligence, willful misconduct or dishonesty may not be supported by court decisions.

If you choose to deduct pursuant to this section, be prepared to argue the basis for the deduction at any hearing held by the Labor Commissioner. If your argument fails to establish your right to deduct, you may be liable to the employee for the wages deducted and waiting-time penalties. In addition, the California Court of Appeals upheld a claim for wrongful termination on the basis of an illegal deduction.

Common Deductions

The following are common deductions employers make that may or may not be lawful, depending on the circumstances:

● **Debts/Loans.** Use extreme caution when entering into a creditor/debtor relationship with an employee.

Deductions of periodic amounts may be made pursuant to a written agreement, but lump-sum payments for the balance owed at termination are not allowed. This is true even if the agreement contains a provision for the lump-sum payment. It is difficult to require and enforce the repayment of a "loan."

● **Overpayment of Wages.** An overpayment of wages could occur in several circumstances.

When an inadvertent overpayment occurs on payday, if the overpayment is caught immediately, you may make a deduction from the next payday with the written consent of the employee.

On the other hand, an overpayment that occurs over a period of time may not be recoverable from a payroll deduction.

Another instance is an overpayment occurring when an employee is allowed to use vacation before actually accruing the time. An employer is unable to recover an overpayment of vacation when the employee quits or the employment relationship ends in termination.

Specific Deduction Authorizations

California Labor Code Section 224 specifically authorizes deductions from an employee's wages for:

● requirements of federal or state law, such as income taxes or garnishments;

● employee written authorizations for insurance premiums, hospital or medical dues or other deductions not amounting to a rebate or deduction from the wage paid to the employee;

● collective bargaining agreements specifically to cover health and welfare or pension payments.

The Labor Law Helpline is a service to California Chamber 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 e-mail: helpline@calchamber.com.

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December 2

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Fair Employment/Housing Director Answers Chamber Questions on Harassment Training

Compliance with the state law mandating sexual harassment prevention training for supervisors was the subject of a California Chamber of Commerce exchange with Suzanne Ambrose, director of the California Department of Fair Employment and Housing (DFEH). The law, AB 1825 (Reyes; D-Fresno, Chapter 933, Statutes of 2004), requires employers of 50 or more employees to provide two hours of sexual harassment prevention training for supervisors by January 1, 2006, unless they had received training in 2003 or 2004.

Following are excerpts from Ambrose's responses to questions from Paul Schechter, Chamber employment law counsel.

Discussing enforcement of the state law requiring sexual harassment prevention training for supervisors at a recent meeting are (from right) Suzanne Ambrose, director of the state Department of Fair Employment and Housing (DFEH); Paul Schechter, employment law counsel for the California Chamber of Commerce; and Paul Ramsey, chief counsel for the DFEH.

● *Has your department's staff been fielding many questions about complying with the mandatory sexual harassment training requirement for supervisors?*

Yes, we have received numerous calls and requests for speaking engagements on the requirements of AB 1825 over the last year.

● *What questions are most frequently asked and how does your department respond?*

The most commonly asked question is whether computer or online training meets the requirements of AB 1825. Though classroom training provides the best forum for interaction, we recognize that for many employers, particularly small employers, sending supervisors and managers to an off-site training course or hiring a qualified trainer to conduct training on-site is not economically feasible. Provided that the training meets all of the other requirements of AB 1825, we will consider computer or online training in compliance.

The second most frequently asked question is when the regulations will be issued. The Fair Employment and Housing Commission, which is a different agency than DFEH, is currently drafting regulations that will clarify many of the issues not addressed by the statute. There is an opportunity for public comment during the regulation adoption process. Anyone interested in reviewing and/or commenting on the proposed regulations should contact the commission at (415) 557-2325.

● *What is your view as to the progress employers are making to comply with AB 1825?*

We have conducted a number of low-cost trainings throughout the state this year by partnering with the Southern California Employment Roundtable (SCERT), the Equal Employment Opportunity Commission and various local bar associations, and have been overwhelmed by the level of interest employers have shown. Our trainings have been sold out and we've had to turn down requests to add more sessions. As you know, the California Chamber of Commerce has been actively conducting trainings to assist employers comply by the end of the year, and there are a number of private law firms and consulting firms that have designed classroom and web-based trainings. Employers are very eager to get their managers and supervisors trained by the end of the year.

● *What role will the DFEH play in enforcing the mandatory training requirement?*

We see our role as two-fold. First, we have an obligation to assist employers in understanding and complying with the requirements, so, as I mentioned, we have scheduled a series of low-cost training seminars throughout the state. Second, we will begin incorporating into our investigations verification of an employer's compliance with the training requirement in appropriate cases filed with the DFEH for investigation.

● *If a sexual harassment complaint is filed against a company with more than 50 employees, will DFEH personnel ask the employer whether and how it has complied with the mandatory supervisor training requirement?*

Yes. Beginning in January 2006, we will add this component to our investigations.

● *What should a company be looking for when selecting Internet-based online training for its supervisors that meets the law's requirements?*

The law requires that all employers with 50 or more employees provide two hours of interactive sexual harassment prevention training to all supervisory employees by January 1, 2006 and every two years thereafter.

The training must include information and practical guidance about state and federal laws prohibiting sexual harassment, as well as the prevention and correction of workplace harassment and the remedies available to victims.

The training should provide practical examples aimed at instructing supervisors in the prevention of harassment,

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discrimination and retaliation.

Since the training must be interactive and presented by trainers or educators with knowledge and expertise in the prevention of harassment, discrimination and retaliation, it is important to provide a mechanism for questions and answers, preferably in a format that can be shared with all of the participants.

Other than the specific requirements in the statute, there is no "right" way to design an Internet-based program. Hopefully, the commission's regulations will clarify this issue.

In the meantime, employers might consider a combination of some of the more effective techniques, such as video clips that illustrate role-playing, online quizzes that help measure the participants' level of understanding, case studies of court decisions, and of course, an opportunity for questions and answers.

● *How about live web seminars, frequently called "webinars"? Can employers comply by using this training method, and what should they be looking for in selecting a provider?*

Webinars can be an excellent and cost effective training mechanism, provided they meet all of the requirements specified in the statute.

I have participated in a few webinars where I conducted the training in an auditorium with audience participants both in the auditorium and remotely at other locations. This format is close to a classroom setting with the live audience and the remote audience able to interact with the speakers.

There are also webinar formats where the trainers are live in one location and the audience is based in their individual locations viewing and/or listening on a computer.

Whichever method is used, the employer needs to make sure that the training meets the interactivity requirement, as well as the other requirements in the statute.

● *What about companies with fewer than 50 employees? Do you have any advice for them regarding supervisor training even though they are not covered by this law?*

We find that most employers, regardless of their size, are already providing some form of sexual harassment or equal employment opportunity training to, not only supervisors, but all employees. Employers know that it makes good business sense to have a work environment free of discrimination and harassment.

In order to maintain a good working environment, all employers should have a clearly defined written policy against discrimination and harassment and should reinforce that policy through training.

● *What other advice do you have for employers to reduce their exposure to sexual harassment claims?*

I can't over-emphasize the importance of an effective internal complaint procedure. Many of the complaints we receive could have been avoided had the employer responded to the complainant's concerns in a timely and appropriate fashion.

Last year, over 27 percent of complaints filed with the DFEH contained an allegation of retaliation. Many of those retaliation complaints resulted from the employer's failure to address the underlying complaint of discrimination or harassment in an appropriate manner.

Harassment Training Deadline Nears

Time is running out for California employers to comply with a law requiring all organizations with 50 or more employees, including contract personnel, to put all supervisory employees through sexual harassment training.

AB 1825 (Reyes; D-Fresno), requires each supervisory employee to have at least two hours of training by January 1, 2006, unless they had received training in 2003 or 2004.

AB 1825 applies to all organizations — businesses, government and non-profits. Failing to comply opens up employers to potential lawsuits.

The Chamber has a cost-effective, online "Preventing Sexual Harassment" training program to meet the training requirement. More than 34,000 managers have completed the program since May.

Other Training Available

The Chamber also has a one-hour webinar to help meet the training deadline. "Preventing Sexual Harassment — Advanced Supervisor Training," will be held on December 1.

Those interested in participating in the December 1 webinar can also take "Preventing Harassment Online Course — 1 Hour Supervisor Version" online to meet the full two-hour training requirement.

More information on AB 1825 and Chamber training programs is available at ***www.calchamber.com.***

Election Results

- ***Proposition 73:*** Waiting period/parental notification before minor's abortion: No - 52.6%; Yes - 47.4%.
- ***Proposition 74:*** Put the Kids First Act (teacher tenure): No - 55%; Yes - 45%.
- ***Proposition 75:*** Paycheck protection (public employee union dues): No - 53.3%; Yes - 46.7%.
- ***Proposition 76:*** Live Within Our Means Act (budget reform): No - 62%; Yes - 38%.
- ***Proposition 77:*** Voter Empowerment Act (redistricting reform): No - 59.5%; Yes - 40.5%.
- ***Proposition 78:*** Pharmacy assistance program (discount prescription drug program): No - 58.5%; Yes - 41.5%.
- ***Proposition 79:*** CalRx Plus (discount prescription drug mandate): No - 61%; Yes - 39%.
- ***Proposition 80:*** Limits on choices for electricity customers: No - 65.7%; Yes - 34.3%.

28 Chamber Members Make Top 40 Best Businesses List for Hispanics

Twenty-eight members of the California Chamber of Commerce have made ***Hispanic Business*** magazine's 2005 list of the 40 best companies for Hispanics in the nation.

The list includes 10 companies whose executives are members of the Chamber Board of Directors.

Hispanic Business research staff gathered data for the list by contacting the top 400 companies on the *Fortune* 500. To calculate the rankings, the researchers used more than 30 variables relating to each business's commitment to Hispanic recruitment and hiring, retention and promotion, representation on boards of directors and at the executive level, marketing and community outreach, philanthropy and supplier diversity.

Chamber members on this year's Top 40 Companies for Hispanics list follow:

● **Allstate Insurance (Northbrook, IL)** — Ranked 19. Allstate Insurance actively recruits Hispanic agents, other employees and suppliers, seeks opportunities to engage in community outreach and has incorporated diversity into its employee development, succession and leadership programs. Field Vice President Robert H. Barge III in the company's Rancho Cordova office is a Chamber Board member.

● **American Express Co. (New York, NY)** — Ranked 27. American Express supports a variety of diversity-related employee networks to enhance professional and personal growth, expand employee skills and develop leadership capabilities. It is committed to developing business relationships with minority-owned and -operated firms.

● **Aramark (Philadelphia, PA)** — Ranked 34. Aramark champions a diversity initiative allowing employees to contribute to the strength of the business. It developed a "Viva El Sabor" vending machine product line specifically to meet the needs of its own and its customers' Hispanic employees.

● **Bank of America (Charlotte, NC)** — Ranked 2. Bank of America was the first bank to introduce Spanish-language ATMs. It is the top Small Business Association lender to Hispanic-owned businesses. Rodney F. Banks, executive vice president, business banking executive and market president in the company's Los Angeles office, is a Chamber Board member.

● **Citigroup, Inc. (New York, NY)** — Ranked 9. In 2004, Citigroup spent $725 million with minority- and women-owned businesses. The company incorporates diversity into training programs for senior management staff and specifically works to build diversity management skills. Michael D. Weitzman, president of Citibank West, F.S.B., San Francisco, is a member of the Chamber Board.

● **Comcast (Philadelphia, PA)** — Ranked 24. About 39 percent of Comcast's 68,000 employees are minorities. About 13 percent of its senior management staff are minorities. Comcast educates vendors about how to sell to the company and works to ensure a diverse pool of suppliers.

● **Coors Brewing Co. (Golden, CO)** — Ranked 31. In 1984, Coors, the National Black Economic Development Coalition and the Hispanic Association of Corporate Responsibility signed an economic development pact, the National Agreement, the first accord ever signed by a major corporation and minority coalitions. The National Agreement has been used as a model for corporations across the country.

● **General Mills (Minneapolis, MN)** — Ranked 20. General Mills' Corporate Mentoring Program helps to connect new minority employees with senior-level mentors in the company. Its Co-Mentoring Pilot Program pairs minority and female director-level and above employees with the top management to foster awareness of gender and racial issues at the most senior levels.

● **HSBC–North America (Prospect Heights, IL)** — Ranked 33. HSBC has a diverse board of directors, including members of seven races and nationalities and four women. More than 70 percent of its 60,000 managers worldwide are non-white and/or women. The company has implemented a Hispanic-focused banking package (*Envío Facil* — "Easy Send") in New York and Florida.

● **Hyatt Hotels Corp. (Chicago, IL)** — Ranked 12. Diversity is one of Hyatt's Core Values. As a "Business Partner," Hyatt establishes, supports and maintains sound relationships with minority community business leaders and enterprises. As an "Employer of Choice," Hyatt provides equal access to employment and promotional opportunities to today's diverse labor force.

● **IBM Corp. (Armonk, NY)** — Ranked 30. This year IBM received the Equal Employment Opportunity Commission's Freedom to Compete Award for its dedication to recruiting under-represented university minorities, women and people with disabilities. More than 3 percent of IBM's corporate executive leadership is Hispanic. Wirt M. Cook, vice president - Americas Sales West, in the corporation's San Francisco office, is a Chamber Board member.

● **Intel Corp. (Santa Clara, CA)** — Ranked 36. This year and in 2004, Intel, the world's largest computer chip maker, was named a Top Corporate Supporter of Hispanic-Serving Engineering Schools. About 5 percent of officials, managers and professionals at Intel are Hispanic; more than 16 percent of technicians are Hispanic. Vice President Nanci S. Palmintere is a Chamber Board member.

● **Lucent Technologies (Murray Hill, NJ)** — Ranked 35. Lucent Technologies has been on *Fortune* magazine's list of

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the Best Companies for Minorities since 1998. It is a member of the Billion-Dollar Round Table, comprised of companies spending more than $1 billion annually with diversity suppliers. The Lucent Supply Chain Diversity Initiative develops strategic minority- and women-owned suppliers.

● **Marriott International (Washington, D.C.)** — Ranked 10. Marriott was the first worldwide hospitality company to establish a formal supplier diversity program, and in 2004, the company spent over $210 million with minority- and women-owned suppliers. Marriott also requires its vendors to work with minority- and women-owned businesses, a policy that has increased its supplier diversity spending by an additional $50 million.

● **McDonald's Corp. (Oak Brook, IL)** — Ranked 1. McDonald's believes that its Hispanic franchises represent the largest single Hispanic business in the United States. More than 37 percent of all McDonald's U.S. owner/operators are women and minorities. McDonald's purchases of goods and services from minority- and women-owned suppliers exceed $3 billion. More than 22 percent of company officers and 24 percent of middle-management employees are minorities.

● **PacifiCare Health Systems (Cypress, CA)** — Ranked 23. In 2003, PacifiCare created the Latino Health Scholars program to educate students about career opportunities for Hispanics, Latinos and other Spanish-speaking people in the health care field. As of 2004, PacifiCare's workforce was 48 percent minorities, including 29 percent in management positions. James Frey, president, Western markets, is a Chamber Board member.

● **PepsiCo (Purchase, NY)** — Ranked 16. PepsiCo granted the first minority-owned franchise in the United States to the Rodriguez family of Laredo, Texas. PepsiCo was ranked third this year in the Hispanic Association on Corporate Responsibility list of *Fortune* 100 companies dedicated to inclusion of the Hispanic community.

● **PG&E Corp. (San Francisco, CA)** — Ranked 13. PG&E's supplier diversity program was instituted in 1981, six years before the California Public Utilities Commission (CPUC) mandated such programs. Four of nine members of the board of directors are minorities. As of 2003, 13 percent of PG&E's nearly 21,000 employees were Hispanic. Gordon R. Smith, president and chief executive officer, is a Chamber Board member.

● **Prudential Financial (Newark, NJ)** — Ranked 21. Prudential Financial encourages employees to participate in Business Resource Groups, which serve as networks for employees to promote professional development while helping the company to achieve its business objectives. The company has instituted a variety of initiatives to maintain a diverse workforce, including strong college recruitment efforts and a comprehensive professional development program.

● **SBC Communications (San Antonio, TX)** — Ranked 3. SBC's workforce is 48 percent female and 38 percent people of color. The company has numerous employee development opportunities, including diversity recruitment, leadership development programs and career advancement programs and opportunities. Lora K. Watts, president - external affairs, working out of the company's San Francisco office, is a Chamber Board member.

● **Sodexho, Inc. (Gaithersburg, MD)** — Ranked 6. Sodexho was the first company in the food and facilities management industry to endorse the Global Sullivan Principles, a corporate code of conduct developed by the late international civil rights leader Rev. Leon H. Sullivan. Of its North American employee population (more than 100,000 people), 47 percent are minorities. In management, 20 percent of employees are minorities.

● **The Coca-Cola Co. (Atlanta, GA)** — Ranked 14. Coca-Cola committed to spending $800 million with minority- and women-owned suppliers over a five-year period (2001-2005). It surpassed that five-year goal in 2005. The company's required diversity training for employees provides an overview of diversity management strategies in the workplace and ways to implement them effectively.

● **TIAA-CREF (New York, NY)** — Ranked 39. TIAA-CREF offers long-term financial solutions to people in the academic, medical, cultural and research fields. In 2004, minorities were 40 percent of the company's new hires. Corporate policies require diverse suppliers to be sought specifically.

● **United Parcel Service (Atlanta, GA)** — Ranked 22. Members of minority groups made up 35 percent of UPS's 328,000 U.S. employees and accounted for half of the company's new hires in 2003. Among the company's 62,000 U.S. managers, minorities hold nearly 30 percent of the positions. UPS's Supplier Diversity Program resulted in more than $670 million in purchases from small, minority- and women-owned businesses in 2003.

● **Verizon Communications (New York, NY)** — Ranked 5. Verizon purchased more than $1.78 billion in goods and services from minority- and women-owned businesses in 2004. The company produces *La Voz de la Plaza*, a customer newsletter in Spanish. Verizon is the nation's leading publisher of Hispanic directory services. Timothy J. McCallion, president, Pacific region, working out of the company's Thousand Oaks office, is a Chamber Board member.

● **Washington Mutual, Inc. (Seattle, WA)** — Ranked 4. Washington Mutual's supplier diversity program has a long-term goal to award 15 percent of supplier-related contract expenses to minority- and women-owned businesses. In 2003, Washington Mutual awarded 14.83 percent of its supplier contracts to companies that qualify for the program.

● **Wells Fargo & Co. (San Francisco, CA)** — Ranked 7. Wells Fargo launched the Latino Loan Program in 1997, and its current lending goal is $3 billion over the next 10 years. It collaborated with the U.S. Hispanic Chamber of Commerce and *LATINA Style Magazine* to establish the Anna Maria Arias Memorial Business Fund to award cash grants to Latina business owners each year. Carrie L. Tolstedt, group executive vice president, is a Chamber Board member.

● **Xerox (Stamford, CT)** — Ranked 26. Xerox's employee roster is made up of more than 30 percent African Americans, Latinos, Asians and Native Americans. Xerox purchased and received more than $1.5 billion in goods and services between 1994 and 1998 from certified Minority, Women and Disabled Veterans Suppliers. As of 2004, 22 percent of company executives at the level of vice president and above were minority women and men.

Hispanic Business does not publish information that is not publicly available. The full list can be found at ***www.hispanicbusiness.com***.

Disability Insurance Premiums Could Explode, Experts Warn

California employers can expect huge increases in the cost of disability insurance for their employees if new requirements proposed by the Department of Insurance take effect, according to a new study.

The internationally recognized consulting firm, Milliman, Inc., estimates premiums will increase as much as 46 percent for group disability insurance and 33 percent for individual coverage under the Insurance Department proposal.

In addition, California consumers will have fewer disability insurance products available and less protection from disabling conditions. The proposed requirements also discourage employees on disability from returning to work.

Fewer Insured

"The Department's proposal will likely result in fewer insured California residents, and, therefore, decreased financial security," the study concluded.

California employers already pay some of the highest disability insurance rates in the country. Industry observers predict that if the proposed requirements are enforced, it will be even more difficult and expensive for employers — especially small businesses — to provide disability insurance protection to their employees.

Disability insurance helps replace the income of those who become sick or injured due to circumstances unrelated to their employment. Employers and employees in California contribute to a state disability insurance program as well as Social Security, but many employers also provide employees with private insurance coverage to augment those benefits.

Significant Changes

In an October 3 letter to disability insurance companies, the Insurance Department proposed significant changes to disability insurance policies:

- Eliminate the requirement to obtain medical care while collecting disability benefits.
- Eliminate the coordination of disability insurance benefit payments with Social Security benefits.
- Expand the definition of total disability in a way that discourages rehabilitation and return-to-work provisions.

All changes would increase the cost of disability insurance coverage for Californians.

Fewer Choices than Other States

The Insurance Department would also prohibit certain types of disability policies and optional benefits that are available to consumers in other states.

For example, Loss of Income policies, which reduce disability benefits for income earned while the person is disabled but do not distinguish between degrees of disabilities, would be prohibited. The new requirements also ban benefits that continue a disabled person's contributions to his/her retirement plan and policies that make it easier to transfer business ownership when one partner is permanently disabled.

The Chamber encourages the Insurance Department to reconsider this proposal, which is one more example of how excessive regulation adds to the cost of doing business in California.

Trade Mission to China with Governor

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California destinations and promoting business investment in the state, the trade mission has allowed participants to discuss such important issues as Intellectual Property Rights (IPR) enforcement and protection, water and energy needs, and goods movement.

Fast-Growing Economy

China has been one of the world's fastest growing economies over the past several years, and its efforts to reform and modernize its economy have helped transform the country into a large trading power.

China's total trade in 2004 surpassed the $1.1 trillion mark, making it the world's third largest trading nation after the United States and Germany, according to the U.S. Department of State.

Total trade between the United States and China has increased from $4.8 billion in 1980 to $231 billion in 2004.

U.S. exports to Hong Kong have grown from $12.6 billion in 2002 to more than $15.8 billion in 2004. Total trade between the United States and Hong Kong totaled $25.1 billion in 2004, according to the U.S. Department of Commerce.

California exports to Mainland China were up 25 percent in 2004, to $6.8 billion, making California its fourth largest trading partner. Exports to Hong Kong increased by 22 percent to more than $5 billion. Hong Kong is California's eighth largest trading partner, as reported by the U.S. Department of Commerce.

The business and trade mission arrived Monday in Beijing, then traveled to Shanghai on Wednesday and to Hong Kong on Friday. The mission will depart China on Saturday.

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

Staff Contact: Susanne Stirling

Chamber Calendar

Water Committee:
December 1, San Francisco
Transportation Committee:
December 1, San Francisco
Board of Directors:
December 1-2, San Francisco
Annual Meeting:
December 2, San Francisco
Tourism Committee:
December 2, San Francisco

Seminars/Trade Shows

For more information on the seminars listed below, visit *www.calchamber.com/events.*

Business Resources

Effective Board Engagement in Strategy. Northern California Chapter of the National Association of Corporate Directors. December 8, Sacramento. (916) 977-3700.

Labor Law

Preventing Sexual Harassment — Advanced Supervisor Training. California Chamber of Commerce. December 1, Web Seminar. (800) 331-8877.

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