Voters, CalChamber Agree on Pro-Economy Choices

California Chamber of Commerce President Allan Zaremberg joined Governor Arnold Schwarzenegger, members of the press and a business delegation reflecting the diversity of California businesses on a two-day trade mission to Mexico this week to strengthen ties and increase economic opportunities in the state.

“The business trade mission to Mexico led by Governor Schwarzenegger highlights California’s unparalleled agricultural products, environmental technologies, high tech and film industries, while building California’s relationship with Mexico, California’s number one trading partner,” said Susanne Stirling, CalChamber vice president of international affairs.

“In keeping with long-standing policy, CalChamber 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,” Stirling said.

Goal of Mission

The goal of the mission was to build California’s relationship with Mexico, encourage tourism to California destinations and promote business investments in California. The business delegation met with high-level members of the Mexican government, including outgoing President Vicente Fox, and representatives of the Mexican business community.

All CalChamber-Backed Candidates Win Election to Legislature

Following up on its success in the primaries, the California Chamber of Commerce again led a broad-based business effort to support pro-jobs candidates in the November general election. All candidates CalChamber supported in the general election won their campaigns. Following are the winning candidates.

Senate Winners

● Jeff Denham (R) won re-election in Senate District 12 (Merced and San Benito counties, part of Madera, Monterey and Stanislaus counties) with 59.5 percent of the vote.

● Alex Padilla (D), a member of the Los Angeles City Council, won in Senate District 20 (part of Los Angeles County) with 75 percent of the vote.

● Ron Calderon (D), a member of the state Assembly for the last four years, won in Senate District 30 (part of Los Angeles County) with 71.1 percent of the vote.

Assembly Winners

● Fiona Ma (D) in Assembly District

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Inside

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Labor Law Corner

5 or More Employees? Law Protects Jobs of Pregnant Workers

We are a small employer (14 employees), and one of our employees has just notified us that she needs time off for maternity leave. Her baby isn’t due for seven months and this request is for two months of time. Do we have to give her job back? Obviously, she’ll need more time off when she has the baby.

The law is very protective of women who become pregnant, and yes — you have to reinstate her. Pregnancy Disability Leave (PDL) allows a woman to take up to four months off — as long as her doctor certifies her as disabled by her pregnancy — and preserves her job during that period.

Conditions for Time Off

In the situation you describe, which is not uncommon, a woman may have physical problems early in her pregnancy, and may need to take some time off.

For example, if a woman takes off two months early in her pregnancy and then comes back to work when the baby arrives, she will have only two months remaining in her PDL “bank.” Any time off may be conditioned by the requirement of a doctor’s note as long as you require a doctor’s note for any medical leave of absence.

The PDL law affects employers with five or more employees. In addition, although the PDL law does not require that you continue an employee’s wages or maintain health and welfare benefits while the employee is on PDL, the Family and Medical Leave law protects an employee’s health and welfare benefits while on a leave of absence.

No Greater Rights

An employee on PDL, however, has no greater rights to reinstatement than if she had never been on leave.

For example, if the employer has a layoff and that employee’s position has been eliminated, the employer has no obligation to create a position for her. If you replace the woman’s job because you assert that you need to do so in order to operate your business efficiently, it should not be due to the fact that it’s inconvenient to hold the job open or because it creates more work for other employees. The assertion of a “business need” defense should be exercised with great caution, and it is recommended that a company seek legal counsel to determine if it can meet the requirements of such a defense.

Alternatively, you may reinstate a woman to a comparable position. If the comparable position is very similar to her original job in terms of pay, duties, privileges and location, the employer may not be considered to be in violation of the PDL laws.

If an employee exhausts her four months of PDL and needs to take more time, it is not necessary for the employer to hold the job open unless you do so for other similarly situated employees who take disability leaves longer than four months.

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 submit your question at www.hrcalifornia.com.

Chamber Calendar

Fundraising Committee:
December 7, San Francisco
Board of Directors:
December 7-8, San Francisco
Annual Meeting:
December 8, San Francisco
Luncheon Forum:
January 18, 2007, Sacramento
First Deadline Nears for Emissions Cap Law

Businesses Should Register to Report Greenhouse Gas Emissions

The California Chamber of Commerce is encouraging businesses that generate greenhouse gas emissions, such as carbon dioxide, to sign up now with the California Climate Action Registry.

Joining the registry before the December 31 deadline cited in the state’s landmark law placing caps on greenhouse gas emissions, AB 32 (Núñez; D-Los Angeles), will simplify the transition for California businesses, making it easier to begin reporting and verifying emissions and meeting the requirements of the new law.

AB 32 states that entities which join the registry before December 31 and report emissions according to the registry’s rules and timeframe “shall not be required to significantly alter their reporting or verification program except as necessary to ensure that reporting is complete and verifiable” once the state Air Resources Board (ARB) begins implementing AB 32.

The legislation establishes annual mandatory reporting of greenhouse gas emissions for “significant” sources of the emissions and sets limits to cut the state’s greenhouse gas emissions to 1990 levels by 2020.

Who Is Affected?

As signed into law, AB 32 does not include a list of affected entities or industry sectors, simply stating that it will regulate “any source, or category of sources” that the ARB determines to be “significant.”

Earlier drafts of the bill listed electricity generation, oil and gas refining, cement production and landfills as significant emitters. Activities the registry cites as generating carbon dioxide, the most common greenhouse gas, include making or using electricity, operating vehicles, boilers or other combustion services.

In addition to carbon dioxide, AB 32 defines the following as greenhouse gases: methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride.

Registry

Legislation passed in 2000 established the registry as a voluntary, non-profit place to register greenhouse gas (GHG) emissions and help companies and organizations operating in California set GHG emission baselines against which to measure future reductions.

The registry has developed a general protocol and industry-specific protocols offering guidance on how to inventory GHG emissions, including what to measure, how to measure it, the back-up data required and certification requirements.

AB 32 requires the ARB to incorporate the standards and protocols developed by the registry into the state’s new mandatory GHG reporting program as much as possible.

The bill does not explicitly say anything about the future of the registry, which states that it will continue to function as a voluntary registry for GHG emissions and emission reduction projects. The registry also states that it will continue to develop accounting protocols that can be used in both mandatory and voluntary programs in collaboration with other states and countries, as well as work closely with ARB and other state agencies to help with implementing AB 32.

AB 32 Implementation Timeline

CalChamber will be closely monitoring and actively participating in ARB’s process for developing the rules to implement AB 32. Following is a timeline of key dates:

- December 31, 2006: Last day to join the California Climate Action Registry to receive recognition of voluntary GHG reporting and verification and be grandfathered into ARB’s reporting and verification program.
- January 1, 2007: AB 32 takes effect.
- June 30, 2007: ARB will publish the list of discrete early action GHG reduction measures that can be implemented until 2011.
- January 1, 2008: ARB will adopt regulations to establish the state’s mandatory GHG reporting and verification program. ARB also will determine the statewide 1990 baseline and set the statewide GHG emissions limit for 2020.
- January 1, 2009: ARB will prepare and approve the scoping plan for achieving the set emissions limit for 2020.
- January 1, 2010: ARB will implement the emission reduction measures identified in June 2007.
- January 1, 2011: ARB will adopt GHG emissions limits and emission reduction measures based on January 2009 scoping plan, effective in one year. ARB may adopt a market-based “cap and trade” system with associated limits on the state’s GHG sources applicable from January 1, 2012 to December 31, 2020.
- January 1, 2012: Regulations from 2009 scoping plan will take effect. Market-based “cap and trade” regulations also may take effect.
- 2020: Deadline for state to achieve 1990 levels of GHG emissions.

Join Registry

To join the registry, an entity must submit the registry’s “Statement of Intent” form. According to the registry, it is not necessary to have data submitted and certified by December 31.

Learn more and become a registry member by visiting www.climateregistry.org.

Staff Contact: Amisha Patel

Seminars/Trade Shows

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

Government Relations


Business Resources


Voters, CalChamber Agree on Pro-Economy Choices

Proposition 1A, the CalChamber-supported initiative to protect transportation funding from being used for other purposes, won approval with 76.6 percent of voters in favor of the measure.

CalChamber-opposed tax hikes, Propositions 86-89, were soundly defeated. In fact, 74.5 percent of voters rejected Proposition 89’s attempt to increase taxes on corporations to fund political campaigns.

Governor Schwarzenegger won 55.8 percent of the vote with just 39.2 percent choosing his opponent, Democratic state Treasurer Phil Angelides.

What Voters Didn’t Want

“Californians have shown they do not want new or increased taxes by rejecting the certain tax increases and anti-business policies of the Governor’s challenger, as well as the numerous new tax proposals on the ballot,” Zaremberg said. “In rejecting these propositions, Californians have demonstrated also their distaste for the creation of new, unaccountable bureaucracies and programs that operate outside the normal legislative budget and oversight process.”

Highlighting the importance of investing in infrastructure, Zaremberg said, “California’s economy and population continue to grow. We must prepare our state for the commerce and communities that will come. Californians have voted to invest in the critical infrastructure of our state and put us on the path to continued progress. They have voted to require that gas tax dollars paid at the pump be spent on transportation needs, and to expand and improve our state’s transportation, housing, education and levee systems. The CalChamber has been a strong supporter of this plan to improve our state’s infrastructure and we will remain at the forefront to help guide its implementation.”

Re-Electing Governor

Commenting on the gubernatorial race, Zaremberg said, “Californians have voted to continue economic growth and job creation by re-electing Governor Schwarzenegger and rejecting calls for more taxes and anti-business policies.

“Governor Schwarzenegger’s leadership and policies have helped the creation of more than 600,000 new jobs and the addition of more than $20 billion in tax revenues to the state treasury. He has held the line on taxes and improved the state’s business climate by stopping ‘job killer’ bills from becoming law.

“Governor Schwarzenegger has been good for California’s economy and for our state itself, and has pledged to continue these policies in a second term. That is why the CalChamber endorsed the Governor for re-election and, with a broad majority, Californians have shown they agree.”

Election returns are available on the Secretary of State website at www.ss.ca.gov.

Staff Contact: Vince Sollitto

CalChamber President Joins Governor on Trade Mission to Mexico

Mexico continues to be California’s top export market. In 2005, nearly $18 billion in California products were exported to Mexico, supporting nearly 200,000 jobs in California.

Mexico purchases nearly 15 percent of all California exports. California exports to Mexico are driven by computer and electronic products, which account for 30 percent of all California exports to Mexico.

Key exports to Mexico showing growth in 2005 include manufacturing equipment, processed foods, and chemicals, according to the California Business, Transportation and Housing Agency.

According to the California Travel and Tourism Commission, there were approximately 8.6 million Mexican visitors to California in 2005. While here, those visitors spent an estimated $1.6 billion in California, ranking first among all international markets.

A large portion of these visitors are Mexican day visitors, estimated at 4.8 million. About 496,000 overnight visitors from Mexico arrived in the United States by air and roughly 3.3 million Mexicans arrived by land and traveled to and throughout California, beyond the border area, in 2005.

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

Staff Contact: Susanne Stirling
CalChamber Asks State High Court to Settle Meal/Rest Period Penalty/Wage Question

The California Chamber of Commerce has gone to court to protect employers from lengthy court cases involving meal and rest period violations. The CalChamber, along with other employer groups, filed a “friend of the court” brief with the California Supreme Court in Murphy v. Kenneth Cole Productions, Inc., the leading case on the issue of whether the statutory payment required under Labor Code Section 226.7 for failure to provide a rest or meal break is a penalty or a wage. In their brief, CalChamber and other employer groups contend that more than 100 years of California case law clearly points to the payment requirement being a penalty and not a wage. Additionally, legislative discussions leading to the adoption of the payment requirement identified it as a penalty, as did later proposals to amend that section of the law.

Conflict

The 1st District Court of Appeal ruled in Murphy that the payment required under Section 226.7 is a penalty and not a wage. In the case of National Steel and Shipbuilding Company v. Superior Court, however, the 4th District Court of Appeal did not follow the 1st District Court’s decision, creating a conflict among the courts.

Now it is up to the state’s high court to bring finality to this highly debated and closely watched employment law issue.

Impact

The court’s ruling will determine whether the limitation period for failing to provide a meal and/or rest period is one year (if a penalty) or three (if a wage). Accordingly, the impact of this case is enormous due to the number of lawsuits pending in California seeking payment under Section 226.7. Similarly, class action claims for meal and rest period violations have also been on the rise because of the potential for substantial monetary payouts arising from per-day, per-employee penalties.

Staff Contact: Erika Frank

CalChamber Health Committee Reviews Policy Approaches

(From right) Senator George Runner (R-Lancaster), vice chair of the Senate Health Committee, discusses options for increasing access to health care at the October 25 meeting of the California Chamber of Commerce Health Care Policy Committee, chaired by CalChamber Board member Philip R. Schimmel (second from right) of KPMG LLP. At left is Marti Fisher, CalChamber legislative advocate for labor and employment, health care and small business.

SAVE THE DATE

California Business Legislative Summit
Monday, May 21, 2007
Small Business Advocate of the Year Award
‘Model’ Advocate’s Dedication to Business Is ‘Unparalleled’

Mari Featherstone is deeply invested in working to assure the long-term economic vitality of her community.

Featherstone, a recipient of the California Chamber of Commerce Small Business Advocate of the Year Award, co-owns and operates LeaseMark, Inc. in Windsor. She has run the independent equipment and vehicle leasing company for more than 20 years.

Featherstone started volunteering with the Santa Rosa Chamber of Commerce in the late 1980s out of a general interest in what was happening in Santa Rosa. In the mid-1990s, she started focusing her energies on the chamber’s Government Review Council (GRC), becoming part of the chamber’s effort to educate members about political issues and to have dialogues with local officials about the impacts of their decisions on the business community.

Featherstone believes the GRC has been instrumental in changing the direction of some local and regional decisions, successes that have motivated her to continue her strong volunteer advocacy efforts. Indeed, she has chaired the GRC three times.

Time, Commitment

This commitment, however, translates into time and responsibility to get things done. According to Featherstone, “Being able to direct the effort of volunteers to stay on top of issues, managing a business at the same time and getting both done well is a challenge. You can’t stay on top of legislation without committing time.”

Although her business is her priority, Featherstone takes her work as a volunteer very seriously: “If I can’t do a good job, I don’t commit. Once the commitment is made, I do the best job I can.”

Clearly, Featherstone’s efforts are noticed and appreciated. Michelle Gervais, 2005 chair of the board for the Santa Rosa Chamber, says Featherstone is “a critical component of policy setting. . . She is a model business advocate.”

Mike Hauser, president/chief executive officer of the Santa Rosa Chamber, says, “Mari’s involvement and commitment to the business community is unparalleled and is literally like having an extra member of the chamber’s staff.”

Voice for Business

Featherstone’s motivation to remain a committed advocate is clear: she wants to make sure business can continue to be done in the best and most responsible way possible. “Business is the backbone of a strong community,” she says. “You may have open space and beauty, but without a strong economic environment, you have no way to work or to sustain it.”

Key to maintaining local economic vitality is assuring business has a consistent, vocal and respected presence in local affairs. “Business is often labeled as a bad guy,” Featherstone says. Advocacy work through the chamber “gives businesses the opportunity to be seen as involved community members,” she says.

Featherstone also views chamber advocacy efforts as opportunities for businesses to be proactive. “Too often, business is involved in reacting,” she acknowledges. “It’s important to be ahead of the curve, to work within the city and county structure to shape decisions before they happen.”

According to Featherstone, that is what she really enjoys about working with the chamber. “It’s proactive,” she says. “It also has a vehicle in place to be reactive if need be, and it enables businesses to give an opinion” that will have a long-term effect on an area.

Active advocacy work helps turn potentially damaging legislation or planning into something more inclusive of the needs and goals of business, says Featherstone. “Decisions may not be 100 percent what business wanted, but they won’t be as restrictive,” she asserts.

Professional Impact

Featherstone’s professional life intersects in many ways with her advocacy, giving her insight into what it takes to run a business in California. “If I weren’t on the GRC,” she says, “I might not understand all of the implications of legislative issues. It makes me a more informed voter.”

It also helps her understand the challenges her clients might have and helps her be more responsive to their needs. “Some of the problems they are going through [with legislation or regulations], I might never have to deal with,” she says. Her advocacy broadens her knowledge of legislative issues so she can help her clients and herself.

No Stopping Now

Featherstone plans to continue working with both the GRC and the Santa Rosa Chamber for the foreseeable future. “What they do makes such a huge difference in Santa Rosa and Sonoma County,” she says.

According to Featherstone, the GRC and the chamber have built a reputation of respect among local officials and the general community, and people are looking to them for recommendations on legislation and local policy.

Being part of that effective movement is important to Featherstone. “It comes back to you when you volunteer,” she says. “You make a difference. It’s a difference.”

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Next Alert: December 1
Upcoming State Minimum Wage Increase Means Employers Need New Posters in ’07

In order to help California businesses maintain compliance following the recent law increasing the minimum wage in California, the California Chamber of Commerce has made updated 2007 employment posters available for pre-order on its website.

The increase in California’s minimum wage, from the current $6.75 per hour to $7.50 per hour in 2007 and $8 per hour in 2008, was signed into law by Governor Arnold Schwarzenegger in September. The increase means that all California employers and businesses will be required to update their employment posters by January 1, 2007, when the first wage hike goes into effect.

Don’t Risk Non-Compliance

“Changing laws and regulations can put your business at risk for non-compliance,” said CalChamber President Allan Zaremberg.

On January 1, 2007, California employers must do more than pay an increased minimum wage — they must display new employment posters in the workplace, as well. CalBizCentral already has prepared the required posters and compliance kits and is making them available at www.calbizcentral.com.

“Providing compliance products and advice is another way CalChamber helps California business do business,” Zaremberg said.

Impact on Exempt Employees

The increase also may affect exempt executive, administrative and professional employees whose minimum salary requirements are tied to the California minimum wage.

The minimum salary test for these employees will increase from the current $2,340 per month to $2,600 per month ($31,200 per year), on January 1, 2007, and to $2,773.33 per month ($33,280 per year) effective January 1, 2008.

Because of the wide-ranging impact of the new California minimum wage on businesses, the CalChamber suggests that employers review the earnings of employees at the lower rungs of their wage and salary scales and consider how “wage compression” may affect other employees in their organization.

If this and other employment laws are confusing, businesses can register for CalBizCentral’s free HR California Extra newsletter to help them stay up to date on current issues and trends.

CalChamber members can find answers to questions about employment laws at www.hrcalifornia.com. Preferred and executive members also can submit questions there to the Labor Law Helpline or call (800) 348-2262.

To order posters, visit www.calbizcentral.com or call (800) 331-8877.

All CalChamber-Supported Candidates Win Election to Legislature

From Page 1

12 (part of San Francisco and San Mateo counties) won with 70.6 percent of the vote.

● Guy Houston (R) won re-election in Assembly District 15 (part of Alameda, Contra Costa, Sacramento and San Joaquin counties) with 54.5 percent of the vote.

● Cathleen Galgiani (D), a staff member to the current district representative, Assemblywoman Barbara Mattheus (D), won in Assembly District 17 (Merced County, part of San Joaquin and Stanislaus counties) with 59.7 percent of the vote.

● Anna Caballero (D), currently mayor of Salinas, won in Assembly District 28 (San Benito County, part of Monterey, Santa Clara and Santa Cruz counties) with 57.7 percent of the vote.

● Nicole Parra (D) won re-election in Assembly District 30 (Kings County, part of Fresno, Kern and Tulare counties) with 51.6 percent of the vote.

● Laura Richardson (D), a member of the Long Beach City Council since 2000, won in Assembly District 55 (part of Los Angeles County) with 68.3 percent of the vote.

● Chuck Calderon (D), a former member of the Assembly and the Senate, won in Assembly District 58 (part of Los Angeles County) with 69.6 percent of the vote.

● Jose Solorio (D), a member of the Santa Ana City Council, won in Assembly District 69 (part of Orange County) with 64.7 percent of the vote.

● Shirley Horton (R) won re-election in Assembly District 78 (part of San Diego County) with 51.7 percent of the vote.

● Bonnie Garcia (R) won re-election in Assembly District 80 (Imperial County, part of Riverside County) with 51.1 percent of the vote.

Staff Contact: Michele Steeb
Successfully managing HR duties within a company is critical. Remaining compliant with current labor laws is crucial.

When you attend HR 101: Introduction to HR Administration, you will learn the HR basics, best practices and how to comply with California law. This six-hour class is ideal for HR beginners, refreshers and small business employers. Learn about:

- Minimum compliance policies
- Finding and hiring qualified candidates
- Common mistakes when paying employees
- Controlling workers’ compensation costs
- Avoiding discrimination or harassment lawsuits
- Properly disciplining or terminating an employee
- And more

HR 101 seminars will be held at the following locations:

- Santa Ana – 1/9/07
- San Diego – 1/11/07
- Sacramento – 1/23/07
- Santa Clara – 1/31/07
- Sacramento – 2/6/07

9:00 a.m. – 4:00 p.m. Lunch on your own.

To register, call (800) 331-8877 or visit www.calbizcentral.com/HR101.