

# ALERT

VOLUME 33, NUMBER 23 • JULY 27, 2007



## CalChamber Fights Increase in Employer Liability

*Bill Opens Pay/Benefit Decisions to More Lawsuits*

The California Chamber of Commerce is urging members to **oppose** newly amended legislation that increases employers' exposure to lawsuits challenging pay or benefit decisions.

**AB 437 (Jones; D-Sacramento)**, a newly designated "job killer" bill, greatly expands employers' liability exposure and hampers their ability to defend themselves by effectively removing any statute of limitations for lawsuits challenging any employer decision that affects pay or benefits.

Before being amended on June 28, the bill dealt with duties of local health officers.

### CalChamber Leads Coalition

The CalChamber is leading a statewide coalition of more than 25 members, including companies and associations in the retail, health care, building and housing, food and agriculture industries, manufacturers and other business and industry organizations, in opposing AB 437.

Although the stated intent of the bill is merely to "construe and clarify" existing law and to reject a recent U.S. Supreme Court decision, *Ledbetter v. Goodyear Tire & Rubber Co.*, the CalChamber believes that AB 437 does far more. It establishes a blanket new statute of limitations scheme for all employment laws in California.

### Shifting Timeline for Lawsuits

Under AB 437, the statute of limitations for lawsuits alleging any unlawful employment decision keeps running so long as the employee's pay or benefits is "affected" by the decision. This would include employment discrimination claims for any protected class under the Fair Employment and Housing Act, not just wage claims.

AB 437 specifies that "affected" includes but is not limited to each time an employee is paid, following the employer's decision.

### Beyond Existing Law

AB 437 goes far beyond any restatement of existing state law. Under current California statutory and case law, there is no such blanket rule that the repeated issuance of affected paychecks keeps employment discrimination claims alive. There also is no blanket rule that pay, compensation or benefits merely being "affected" keeps a statute of limitations running.

For example, when employees are denied a promotion, pay raise or position and, therefore, the commensurate pay and benefits, their time for challenging the employer's decision under AB 437 would not expire so long as they remained on the payroll. Employees could even retire and sue years later so long as they contin-

*See Legislation: Page 4*



## CalChamber Co-Chairs Coalition to Support Sunrise Powerlink



Highlighting the importance of new electric transmission to help safeguard California's energy and environmental future, the California Chamber of Commerce is co-

chairing a new statewide coalition, Californians for Clean and Reliable Energy (Cal-CARE), which recently announced its support for the Sunrise Powerlink.

The Sunrise Powerlink is a 150-mile long transmission line that would deliver reliable and renewable power from the Imperial Valley to San Diego and help avoid more than one million metric tons of carbon dioxide emissions. Cal-CARE is the only statewide coalition of business and labor organizations to support a transmission project in California.

### Serves Entire State

"While the line is located in San Diego, it will link to the state's transmission grid, enhancing energy security for businesses and families across the state and ensuring our economy stays strong as our population and corresponding energy

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## Labor Law Corner

# Compensatory Time Off Typically Not Available for Private Employers



**Barbara Wilber**  
Labor Law Consultant

*Our employer wants to mandate that employees receive compensating time off in lieu of overtime. His former employer, a county government office, used this method. Can we also do this?*

Private employers generally are not permitted to offer compensatory time off

(CTO) to non-exempt employees in lieu of paying overtime.

Federal law allows local, county and state governments to provide CTO to their employees, so confusion often arises regarding this issue. Employers and employees who move from the public sector to the private sector assume that offering CTO in lieu of overtime is applicable to all employers. It is not.

### Private Employers

Private employers subject to the federal Fair Labor Standards Act (FLSA) may *not* offer CTO in lieu of overtime payment. It is very rare that a California employer is not covered by the FLSA.

Those rare employers may take advantage of an extremely limited exemption found in Labor Code Section 204.3 that applies *only* to those employers covered under Industrial Welfare Commission (IWC) Wage Orders 2, 4, 6, 7, 9, 11, 12 or 15.

The FLSA applies to the majority of businesses in California. Coverage of a business pursuant to the FLSA occurs in two ways and is comprehensive:

- **Enterprise Coverage.** Applies to those that have an annual dollar volume of sales or business of at least \$500,000, as well as hospitals and businesses providing medical or nursing care for residents, schools, preschools and government agencies.

- **Individual Coverage.** Even when there is no enterprise coverage, the FLSA protects employees if their work regularly involves them in commerce between states ("interstate commerce").

Examples include employees who: produce goods (such as a worker assembling components in a factory or a secretary typing letters in an office) that will be sent out of state; regularly make telephone calls to persons located in other states; handle records of interstate transactions; travel to other states on their jobs; and do janitorial work in buildings where goods are produced for shipment outside the state. Domestic service workers (such as housekeepers, full-time babysitters and cooks) normally are covered by the law.

To clarify, CTO is available to private employers not covered by the FLSA and that are covered by specific IWC wage

orders. Use of the compensating time off provisions of Labor Code Section 204.3 may result in violation of the federal law. Makeup time may be an option.

To determine whether your business is covered by the FLSA, use the *FLSA Worksheet — Determining Coverage* available at [www.hrcalifornia.com](http://www.hrcalifornia.com) under "Forms and Checklists."

### Makeup Time

Questions continue to arise about CTO because it is attractive to employers and employees as a method of providing flexibility that overtime law does not allow.

The Legislature has provided some flexibility with the passage of the makeup time option found in all IWC wage orders, except the agricultural order 14.

Makeup time allows an employee to request time off for a personal obligation and make up the time without receiving overtime pay. Neither the employer nor the employee is required to use the option, but strict rules apply if it is used:

- the employer may not solicit an employee to request makeup time;
- the time must be made up within the same workweek, and the employee may work no more than 11 hours on any day and no more than 40 total hours in the workweek; and
- the employee must sign a request for each occasion, but one request will suffice when a personal obligation is recurring.

Employers should ensure compliance by reviewing all of the makeup time regulations before implementation.

*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](http://www.hrcalifornia.com).*

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*Alert (ISSN 0882-0929) is published weekly during legislative session with exceptions by California Chamber of Commerce, 1215 K Street, Suite 1400, Sacramento, CA 95814-3918. Subscription price is \$50 paid through membership dues. Periodicals Postage Paid at Sacramento, CA.*

*POSTMASTER: Send address changes to Alert, 1215 K Street, Suite 1400, Sacramento, CA 95814-3918. Publisher: Allan Zaremborg. Executive Editor: Ann Amioka. Associate: Sarah Schaale. Art Director: Andrew Larsen. Graphics Assistant: Jason Untalan. Capitol Correspondent: Christine Haddon. Staff Writer/Editor: Trina Filan.*

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# Water Infrastructure Needs Attention Now to Ensure Safe, Clean Supply in Future



Almost every time we all pull into traffic congestion, we're reminded that our neglected infrastructure of streets and high-

ways has not kept up with California's growing population. When the two most recent major California earthquakes — Loma Prieta in 1989 and Northridge in 1994 — collapsed freeways and bridges, we all recognized that we had to retrofit our transportation system.

What is much less obvious but no less critical is the vulnerability of California's water supply and quality to the same pressures — aging infrastructure, increasing population and risk of earthquakes — that threaten our transportation system. When we turn on the tap, we expect safe, clean drinking water to come out. And it does — at least for now.

As a result, we often take this precious resource for granted. That attitude must change. New projections show the state's population will hit 60 million by 2050, raising new challenges for our statewide water infrastructure.

Despite significant advances in water conservation, California's water needs will grow over the next 25 years as our population expands, particularly in hotter, drier inland areas where housing is more affordable.

## Challenges in Delta

Climate change and the aging state of our infrastructure add to the challenge. The Sacramento-San Joaquin Delta is a case in point. The Delta — unfortunately better known as the name of an airline

than as a key source of water for 25 million Californians and some of our most productive farmland — is at risk from a major flood or earthquake that would disrupt water deliveries for months or years at a time.

Aging levees that protect the Delta are in disrepair, and experts agree they are vulnerable to widespread failure that would be comparable to the disaster in New Orleans that followed Hurricane

further compromised by the possibility of climate change that could produce longer droughts and more severe floods. Warmer winters mean more rain and less snow in the Sierras. More rain means less “natural” water storage, i.e., the Sierra snowpack, and more runoff than our system can possibly capture and store. The excess water could overrun our flood control system, and send precious water out to the ocean in times of heavy storms.

Investing in our water infrastructure is essential to maintaining California's strong economy, especially given our state's naturally arid climate.

We are at a critical juncture and need to make urgent repairs and essential improvements today to guard against catastrophes while also putting in place the needed long-term solutions to our state's water supply and quality.

Without sustainable, long-term solutions to our looming water crisis, investors' confidence in our state could erode. In the wake of Hurricane Katrina, we know too well what can happen without serious

forethought and planning.

## Protect Environment, Economy

This is why Governor Arnold Schwarzenegger is traveling the state to call attention to this problem we all face and to urge action on a solution. It is not often that we are presented with a “win-win” scenario that can protect both our environment and our economy.

We must all work together to put in place a solution that will give us the water we need for the future while improving our environment.

The time to act is now; let's not miss this chance to do what's needed before it's too late.

*Allan Zaremborg is president and chief executive officer of the California Chamber of Commerce.*

## Commentary By Allan Zaremborg

***We are at a critical juncture and need to make urgent repairs and essential improvements today to guard against catastrophes while also putting in place the needed long-term solutions to our state's water supply and quality.***

Katrina. In fact, scientists say there is a two-thirds chance of a catastrophic levee failure in the Delta during the next 30 years.

A major flood or a 6.5-magnitude earthquake could cause a breach in the levees that would render the Delta unusable as a source of clean water. Such an event would shut off water delivery to Southern California for as long as two years — with a predictably devastating impact on the region's economy.

The Delta itself also has a host of environmental problems, including pollution and the decline of numerous fish species. Experts agree that the Delta in its present state can no longer meet the current needs of people or fish, let alone accommodate future demands.

## Climate Change Concerns

Our aging water infrastructure is



## Legislation Opens Employer Pay/Benefit Decisions to More Lawsuits



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ued to receive retirement benefits.

Moreover, discharged employees could allege their pay and benefits were “affected” for an indefinite period of time following termination.

Under AB 437, employees would have six, 10, even 20 years to bring suit. Lawsuits, no matter how old, could be brought for indefinite damages amounts, resulting in exponential new liability exposure for California employers.

### Unworkable Scheme

The new statute of limitations scheme created by AB 437 is completely unworkable and violates important public policies behind statutes of limitation,

including prompt surfacing and resolution of potential claims through dialogue between employers and employees.

Current time limits also balance competing interests by providing plaintiffs a sufficient time to file charges while preventing courts and employers from facing stale claims in which evidence is lost, memories have faded or witnesses are no longer available.

AB 437 invites abuse of California’s employment laws and frivolous claims when unwarranted litigation is already an issue under so many California laws.

The bill also contains a retroactive application to pending cases. There is nothing limiting it to prospective claims, and it would also appear to breathe life into stale claims not yet filed.

If AB 437 passes, it would further destroy the balance in California between

employer and employee interests that should be maintained when the state creates workplace laws. Ignoring this balance harms employers and employees alike, when the weight and cost of too much litigation forces employers to reduce workforces and operations, close their doors or relocate to states with less hostile legal systems.

### Action Needed

AB 437 is awaiting a vote by the full Senate. Urge your senator to **oppose AB 437**. For an easy-to-use sample letter, visit [www.calchambervotes.com](http://www.calchambervotes.com).

To join the business coalition against this bill and have your organization or company’s name listed on the coalition letter, contact Kyla Christoffersen.

**Staff Contact: Kyla Christoffersen**

## CalChamber Co-Chairs Coalition to Support Sunrise Powerlink



*From Page 1*

demand continues to grow,” said CalChamber President Allan Zaremborg, Cal-CARE co-chair.

The Sunrise Powerlink will be located in a region

recently identified by the U.S. Department of Energy as one of the two weakest and most vulnerable power grids in the nation. San Diego is the second largest city in the state, yet the region is connected to the state’s energy grid by only two transmission lines — the last one built more than 20 years ago.

“The summer’s first big heat wave should serve as a wake-up call that our energy security should not be taken for granted,” Zaremborg added. “We must begin taking immediate steps to strengthen our energy grid and help protect consumers across the state from blackouts.”

The project’s importance to California goes beyond strengthening the state’s power grid. The Legislature and Governor Arnold Schwarzenegger recently approved several “clean air” policies, including AB 32, which mandates greenhouse gas emissions reductions, and the

Renewable Portfolio Standard, which calls for an increase in the use of renewable energy resources. The Sunrise Powerlink is the first true test of the state’s commitment to these important environmental policies to come before the California Public Utilities Commission (PUC). The PUC is currently holding hearings in San Diego, and is expected to vote on the project early next year after releasing a draft environmental impact report (EIR) in August, holding public hearings in September and issuing its final EIR in November.

“By linking the state to abundant supplies of solar, wind and geothermal power in the Imperial Valley, the Sunrise Powerlink will battle climate change by helping meet California’s environmental mandates of reducing greenhouse gas emissions and increasing the use of renewable energy,” said Bill Keese, Cal-CARE co-chair and former chairman of the California Energy Commission (CEC). “It is such an important issue that the CEC has identified the Sunrise Powerlink as one of the state’s highest priority transmission projects,” he added.

### Benefits Environment

Not only will the line help ensure that the lights stay on in California during peak energy use, but it has significant benefits to

the state’s overall environmental health.

A study being authored by David Maul, president of Maul Energy Advisors, is expected to show the Sunrise Powerlink would save the emission of approximately one million metric tons of carbon dioxide or carbon dioxide equivalent annually. This would have the practical impact of taking more than 200,000 average-sized cars off California’s roads. Maul is former CEC manager of several offices, including the Environment and Energy Research and Development Program, and published author of more than 50 studies.

The Sunrise Powerlink is supported by elected officials, government agencies, numerous business and labor organizations, including the International Brotherhood of Electrical Workers, the California Business Roundtable, California Grocers Association and the California Retailers Association, along with individual ratepayers throughout the state. The California Independent System Operator and the CEC strongly support the Sunrise Powerlink.

For more information on Californians for Clean and Reliable Energy and the Sunrise Powerlink, please visit [www.cleanreliableenergy.org](http://www.cleanreliableenergy.org).

**Staff Contact: Dominic DiMare**

# California Chamber Status Report on Major Legislation for Business

The following list summarizes top priority bills for the California Chamber of Commerce and their status as of July 23, the scheduled start of the summer recess.

As **Alert** went to press, the Assembly had begun its summer recess, but the Senate was still scheduled to meet.

Within each subject area, the list presents bills in order of priority, with the highest priorities at the top.

The CalChamber will publish a second status report in September, showing the status of priority bills when the Legislature begins its interim recess on September 14. In October, the CalChamber will publish the final status report on priority bills, showing the ultimate fate of legislation sent to the Governor this year.

October 14 is the last day for the Governor to sign or veto bills passed by

the Legislature before it begins its interim recess.

Each fall, the CalChamber also publishes a record of legislators' votes on key bills affecting California's business climate. Generally, the bills selected for the vote record have appeared in one of the status reports. This year's vote record will be published on November 2.

Federal bills are marked with an \*.

Status of bills as of July 23, 2007, the scheduled start of the Legislature's summer recess. Dates listed are the latest date of committee action, the next hearing date or when the bill reached the floor, unless action is stated. Key to status descriptions on Page 21.

Subject and Bill — CalChamber Position	Status
<b>Agriculture and Natural Resources</b>	
<b>Leafy Green Vegetable Cost Increases.</b> SB 201 (Florez; D-Shafter) threatens agricultural productivity and increases the costs of leafy green vegetables, by mandating day-to-day growing practices in statute and requiring a state waiver for any deviations. Oppose/ <b>Job Killer</b> .	Held in Assembly Agriculture 6/27/07
<b>Increased Costs for Timber and Wood Products.</b> SB 466 (Steinberg; D-Sacramento) reduces the amount of timber available for harvest, resulting in lost job opportunities, by requiring landowners to give up 2 acres of forestland for every acre converted away from timber production. Oppose/ <b>Job Killer</b> .	Held in Senate Appropriations 5/31/07
<b>Crop Traceback.</b> SB 202 (Florez; D-Shafter) imposes on farmers a costly, duplicative and redundant traceback system already in place under the U.S. Department of Agriculture. Oppose.	Failed passage in Assembly Agriculture 6/27/07
<b>Leafy Green Vegetable Licensing.</b> SB 200 (Florez; D-Shafter) adds significant costs to producing leafy green vegetables by creating a state inspection that competes with the federal program. Oppose.	Held in Assembly Agriculture 6/27/07
<b>Stormwater Permit Requirements.</b> AB 1338 (Huffman; D-San Rafael) increases costs to business by granting Coastal Commission authority to impose additional stormwater permit requirements in local coastal plans. Oppose.	Failed passage in Senate Natural Resources & Water 7/11/07; Reconsideration granted
<b>Land Use: Williamson Act Contracts.</b> SB 634 (Wiggins; D-Santa Rosa) abrogates private property rights by requiring landowners give notice and get permission from local government to subdivide land or build any structures or roads on property under Williamson Act contracts. Oppose.	Assembly Agriculture 6/27/07
<b>Livestock Transport.</b> SB 773 (Wiggins; D-Santa Rosa) reduces costs to transport livestock by allowing longer truck trailer vehicles on certain portions of Highway 101. Support.	Passed Assembly Appropriations 7/18/07

Subject and Bill — CalChamber Position	Status
<b>Coastal Development.</b> AB 1459 (Levine; D-Van Nuys) damages coastal tourism by eliminating a vital method of financing popular condominium hotels (timeshares). Dilutes local land use authority. Eliminates job growth in the coastal zone. Oppose.	Failed passage in Assembly Natural Resources 4/23/07; Reconsideration granted
<b>Agriculture: Freeze Losses.</b> AJR 7 (Arambula; D-Fresno) requests the President and Congress to quickly pass federal legislation providing monetary assistance and relief to agricultural enterprises harmed by the freeze. Support.	Senate Third Reading 7/25/07
<b>Liability: Genetically Engineered Plants.</b> AB 541 (Huffman; D-San Rafael) imposes liability on manufacturer of genetically modified plants and its operators if any of the modified material is found outside the contracted area. Oppose.	Held in Assembly Agriculture 4/25/07
<b>Wildlife Conservation.</b> AB 828 (Ruskin; D-Redwood City) Would have potentially limited landowners' rights to use their land by requiring the Wildlife Conservation Board to determine which land is most essential as wildlife corridors and habitat linkages and making that information public. Amended to specify no new land use mandates derive from this information. Neutral.	Passed Senate Natural Resources & Water 7/11/07
<b>Climate Change</b>	
<b>New Fuel Mandate.</b> SB 140 (Kehoe; D-San Diego) disadvantages California businesses and increases fuel prices by creating a fuel mandate that picks a winner in the alternative fuels market, preventing the research and development of additional viable options that may be cheaper and more efficient. Oppose/ <b>Job Killer</b> .	Passed Assembly Natural Resources 7/16/07
<b>Restrictive Fuel Standard.</b> SB 210 (Kehoe; D-San Diego) interferes with the development of a competitive alternative fuels market and threatens job creation in California by creating a costly Low Carbon Fuel Standard that conflicts with the existing standard created by Governor's Executive Order S-7-04. Oppose/ <b>Job Killer</b> .	Passed Assembly Natural Resources 7/16/07
<b>New Vehicle Surcharge.</b> AB 493 (Ruskin; D-Redwood City) assesses an unfair surcharge on new vehicles, which will increase costs for small businesses to transport their goods and services. Oppose/ <b>Job Killer</b> .	Failed passage in Assembly 6/6/07; Reconsideration granted
<b>Construction Costs Increase.</b> AB 1065 (Lieber; D-Mountain View) substantially increases the cost of housing and development in California by implementing tight energy efficiency measures for all new residential and commercial buildings without taking into account the additional costs that will be passed on to consumers. Oppose/ <b>Job Killer</b> .	Held in Assembly Appropriations Suspense File 5/31/07
<b>Vehicular Air Pollution Control: Clean Alternative Fuels.</b> SB 494 (Kehoe; D-San Diego) hurts California businesses and consumers by setting a premature mandate that requires 50 percent of all new passenger vehicles sold in California to be certified to run on clean alternative fuels by 2020 without taking into account the existing framework and developments being made by the implementation of the Global Warming Solutions Act of 2006. Oppose.	Failed passage in Assembly Transportation 7/2/07; Reconsideration granted
<b>State Air Resources Board: Plug-In Hybrid Electric Vehicles.</b> AB 1077 (Lieber; D-Mountain View) increases costs to ratepayers by singling out a specific technology before all alternatives have been researched and analyzed. Oppose.	Passed Senate Transportation & Housing 7/10/07
<b>Greenhouse Gases: Market-Based Compliance Mechanisms.</b> AB 6 (Houston; R-San Ramon) helps regulated industries to reduce their carbon footprint by requiring the Air Resources Board to implement market-based mechanisms. Support.	Assembly Natural Resources 4/16/07

Subject and Bill — CalChamber Position	Status
<b>Greenhouse Gas Emissions.</b> AB 1506 (Arambula; D-Fresno) helps industries reduce their carbon footprint by providing direct loans and loan guarantees for capital expenditures that reduce greenhouse gas emissions or generate renewable energy and allows for a 10 percent tax credit on the amount paid for low-carbon equipment certified by the State Air Resources Board or the Climate Action Registry. Support.	Passed Senate Environmental Quality 7/10/07
<b>Corporate Governance</b>	
<b>Corporations: Distributions.</b> AB 251 (DeSaulnier; D-Concord) creates a burdensome and confusing new prohibition on shareholder distributions and makes board members strictly liable for improper corporate distributions. Oppose.	Failed passage in Senate Banking, Finance & Insurance 6/20/07; Reconsideration granted
<b>Education</b>	
<b>Schools: Curriculum: Opportunities for Pupils.</b> SB 405 (Steinberg; D-Sacramento) attempts to provide all students an opportunity to complete college prep coursework by assuring availability of University of California A-G approved courses and career technical education courses. Support.	Passed Assembly Education 7/12/07
<b>Pupils: Early Commitment to College Program.</b> SB 890 (Scott; D-Pasadena) increases high school completion and motivates students to take college preparatory classes or career technical education coursework by establishing a voluntary program requiring school districts to provide a variety of activities geared toward these goals. Support.	Passed Assembly Education 7/12/07
<b>Student Financial Aid: Cash for College Program.</b> AB 1540 (Bass; D-Los Angeles) helps students in need of financial aid for postsecondary education become aware of opportunities available to them through the various state and federal financial aid programs. Support.	Passed Senate Education 7/12/07
<b>Postsecondary Education: Task Force on State Workforce Needs: California Community Colleges Economic and Workforce Development Program.</b> AB 365 (Portantino; D-La Cañada Flintridge) attempts to bring in line efficiency between postsecondary education and efforts to fill workforce development gaps. Support.	Passed Senate Business, Professions & Economic Development 7/9/07
<b>Energy</b>	
<b>Renewable Energy Resources.</b> SB 411 (Simitian; D-Palo Alto) could potentially increase energy prices by requiring 33 percent of the state's energy to come from renewables by 2020 without taking into account grid reliability and the need for adequate and sustainable energy infrastructure. Oppose.	Passed Assembly Natural Resources 7/16/07
<b>Renewable Energy.</b> AB 94 (Levine; D-Van Nuys) Adds a new premature target for the renewable portfolio standard without a plan of feasibility and consideration of the significant challenges that have yet to be resolved in order to achieve the existing standard. Oppose.	Assembly Natural Resources 4/23/07
<b>State Energy Resources Conservation and Development Commission: Natural Gas.</b> SB 412 (Simitian; D-Palo Alto) hurts the state's future energy supply and increases costs for businesses and consumers by prohibiting agencies from issuing permits for the construction of Liquefied Natural Gas (LNG) facilities until an LNG Needs Evaluation Report is completed. Oppose.	Passed Assembly Natural Resources 7/9/07
<b>Public Utilities Commission.</b> AB 1157 (Ruskin; D-Redwood City) increases the cost to ratepayers by redefining the eligibility requirements for claiming compensation for participation in regulatory proceedings. Oppose.	Held in Assembly Appropriations Suspense File 5/31/07



Subject and Bill — CalChamber Position	Status
<b>Public Utilities: Regulation of Rates.</b> AB 1517 (Jones; D-Sacramento) discourages economic investment by transferring the benefit of investments and expenditures made by corporate shareholders to utility customers. Oppose.	Assembly Utilities & Commerce 3/29/07
<b>Solar Energy: Solar Water Heating and Efficiency Act of 2007.</b> AB 1470 (Huffman; D-San Rafael), as recently amended, creates a pilot solar thermal system program to allow participating agencies to analyze the appropriate costs and benefits for residential homes in the state. No Position.	Passed Senate Energy, Utilities & Communications 7/3/07
<b>Environmental Regulation</b>	
<b>Food Packaging Cost Increase/Collection Mandate.</b> AB 904 (Feuer; D-Los Angeles) increases costs on all businesses that sell food by imposing new mandates on food service packaging and creating a new requirement that food providers collect and recycle 25 percent of the food service packaging they sell. Oppose/ <b>Job Killer</b> .	Assembly Inactive File 6/8/07
<b>Plastic Packaging Ban.</b> SB 899 (Simitian; D-Palo Alto) pushes jobs out of California and increases costs for industries that use plastic packaging by banning the manufacturing and distribution of specified plastic packaging in California. Oppose/ <b>Job Killer</b> .	Assembly Environmental Safety & Toxic Materials 5/17/07
<b>Toxic Chemicals: Use Reduction.</b> AB 558 (Feuer; D-Los Angeles) increases costs to business by creating duplicative reporting requirements and authorizing unlimited new fees on businesses using chemicals. Oppose.	Passed Senate Environmental Quality 7/10/07
<b>Environment: High Production Volume Chemical.</b> SB 578 (Simitian; D-Palo Alto) wastes valuable public and industry resources by creating California-only reporting mandate for certain chemicals that duplicates existing federal program and prohibits the manufacture or import of that chemical into California if the reporting requirements are not met. Oppose.	Held in Senate Appropriations Suspense File 5/31/07
<b>Children's Products: Phthalates.</b> AB 1108 (Ma; D-San Francisco) harms the California economy by prohibiting the manufacture, sale or distribution of children's products containing certain concentrations of phthalates without scientific evidence the chemicals are harmful. Oppose.	Senate Third Reading 7/25/07
<b>Electronic Waste: Personal Computers.</b> AB 1535 (Huffman; D-San Rafael) increases the cost of electronics by expanding current e-waste provisions to include personal computers and imposes a \$6 fee on such personal computers. Oppose.	Assembly Appropriations Suspense File 6/1/07
<b>PBDE: Prohibition.</b> AB 513 (Lieber; D-Mountain View) makes many consumer products less resistant to fire by limiting the manufacturing, processing or distributing of products containing PBDE. Oppose.	Assembly Inactive File 6/7/07
<b>Recycling Polystyrene: State Facilities.</b> AB 820 (Karnette; D-Long Beach) increases costs to the state by prohibiting a state agency from selling, possessing or distributing the more economic polystyrene food container on and after January 1, 2009, and requiring each prospective bidder and contractor for state agencies to certify that it, its agents, subsidiaries, partners, joint ventures and subcontractors will not sell, possess or distribute an expanded polystyrene food container at a state facility. Oppose.	Held in Assembly Appropriations Suspense File 5/31/07
<b>Diacetyl.</b> SB 456 (Simitian; D-Palo Alto) interferes with the regulatory process now underway at Cal/OSHA by banning, based on unsound science, a flavoring used in thousands of food products. Oppose.	Passed Assembly Health 7/3/07
<b>Hazardous Waste: Santa Susana Field Laboratory.</b> SB 990 (Kuehl; D-Santa Monica) overrules local land use decisions by prohibiting the sale, lease, sublease or other transfer of any land presently or formerly occupied by the Santa Susana Field Laboratory until the Director of Toxic Substances Control certifies that the land has undergone complete remediation of chemical and radioactive contamination. Oppose.	Assembly Appropriations Suspense File 7/11/07



Subject and Bill — CalChamber Position	Status
<b>Chemicals of Concern.</b> SB 973 (Simitian; D-Palo Alto) raises threat of new regulatory actions by requiring state to adopt list of “chemicals of concern” based on Canadian list identified for elimination with no assessment of the effects on California. Oppose.	Assembly Environmental Safety & Toxic Materials 6/21/07
<b>State Air Resources Board: Air Districts: Mobile Non-Vehicular Regulations.</b> AB 934 (Duvall; R-Yorba Linda) creates uniformity in regulation by providing that local air districts can adopt toxic control measures only for non-vehicular stationary sources. Support.	Assembly Transportation 4/16/07
<b>Mercury-Added Thermostats: Collection Program.</b> AB 1193 (Ruskin; D-Redwood City) penalizes manufacturers for their inability to meet a collection standard they cannot influence by requiring a manufacturer that sold mercury-added thermostats before January 1, 2006, to establish and maintain a collection and recycling program for out-of-service mercury-added thermostats. Oppose.	Held in Assembly Appropriations Suspense File 5/31/07
<b>California Toxic Release Inventory Program.</b> AB 833 (Ruskin; D-Redwood City) increases costs to do business in California with no additional public benefit by creating the California Toxic Release Inventory Program to take effect in the event that the federal Emergency Planning and Community Right-to-Know Act of 1986 is made less stringent either through legislation or regulation. Oppose.	Passed Senate Environmental Quality 7/2/07
<b>Fire Retardants: Toxic Effects.</b> AB 706 (Leno; D-San Francisco) increases fire risk to consumers by prohibiting the use of brominated or chlorinated fire retardants in seating, bedding and furniture products. Oppose.	Passed Senate Environmental Quality 7/10/07
<b>Electronic Waste.</b> AB 546 (Brownley; D-Santa Monica) makes computers more expensive by imposing a \$10 fee on the sale of CPU towers in order to pay for recycling programs that focus on e-waste. Oppose.	Passed Senate Environmental Quality 7/2/07
<b>Hazardous Waste: Electronic Devices.</b> AB 48 (Saldaña; D-San Diego) increases the cost of consumer electronics by expanding the current e-waste laws. Oppose.	Passed Senate Environmental Quality 7/10/07
<b>Hazardous Materials: Business Plans.</b> SB 329 (Dutton; R-Rancho Cucamonga) reduces compliance costs for business without undermining safety by extending the period of time before businesses handling hazardous materials have to update their business plan for emergency response from 3 to 5 years. Support.	Senate Appropriations Suspense File 5/14/07
<b>Consumer Products: Content Information.</b> SB 509 (Simitian; D-Palo Alto) originally interfered with the regulatory process now underway at the California Air Resources Board by tying formaldehyde emissions standards for certain products shipped into or manufactured in California to the European Union standard. Opposition led to bill being amended to deal with an unrelated subject. Neutral.	Senate Rules 6/8/07
<b>Hazardous Waste: Civil Penalty.</b> AB 1371 (Ruskin; D-Redwood City) originally expanded liability on businesses when they contract with another company to handle their waste. Amended to remove CalChamber opposition. No Position.	Senate Second Reading 7/25/07
<b>Hazardous Substances: Water Quality.</b> AB 422 (Hancock; D-Berkeley) was amended to remove opposition and requires that corrective action taken in response to unauthorized release from an underground storage tank be consistent with requirements under the California Superfund Act. Neutral.	Passed Senate Environmental Quality 7/10/07
<b>Discharge of Hazardous Substance, Sewage or Other Waste: Notification.</b> AB 800 (Lieu; D-Torrance), before amendments to remove opposition, increased penalties for failure to notify proper authorities for any person who causes or permits any sewage or other waste to be discharged in or on any waters in the state. No Position.	Senate Third Reading 7/25/07
<b>Energy Resources: Lighting Efficiency: Hazardous Waste.</b> AB 1109 (Huffman; D-San Rafael) Amended to study the most effective methods for collecting and recycling end-of-life light bulbs. Amended to remove opposition. Neutral.	Passed Senate Environmental Quality 7/10/07

Subject and Bill — CalChamber Position	Status
<b>Hazardous Materials: Administrative: Penalties: Liability.</b> AB 1098 (Saldaña; D-San Diego) alters how administrative penalties are determined for violation of required business plans relating to the handling and release of hazardous materials. Amended to remove CalChamber opposition. No Position.	Senate Consent Calendar 7/25/07
<b>Diesel Vehicles and Engines: Healthy Heart and Lung Act.</b> AB 233 (Jones; D-Sacramento) increases fines for violations of current diesel vehicle idling restrictions from a minimum of \$100 to a minimum of \$300. No Position.	Passed Senate Transportation & Housing 7/3/07
<b>Health</b>	
<b>Health Care Tax on Employers.</b> AB 8 (Núñez; D-Los Angeles) imposes a tax on small employers who can't afford to provide health care coverage, to fund health care coverage for those who don't currently purchase it. Oppose/ <b>Job Killer</b> .	Passed Senate Health 7/11/07
<b>Government-Run Health Care.</b> SB 840 (Kuehl) creates new government-run, multibillion-dollar socialized health care system built from a yet-to-be-specified tax increase. Oppose/ <b>Job Killer</b> .	Passed Assembly Health 7/3/07
<b>New Government Bureaucracy for Rate Regulation.</b> AB 1554 (Jones; D-Sacramento) reduces health care choice, access and quality by creating additional bureaucracy to impose price controls on health care policies, while failing to address the major cost drivers of rising medical care costs. Oppose/ <b>Job Killer</b> .	Failed passage in Senate Health 7/11/07; Reconsideration granted
<b>Mental Health Services.</b> AB 423 (Beall; D-San Jose) increases health care premiums by mandating that health plans and insurers provide parity coverage for all of the over 400 mental disorders identified in the latest Diagnostic and Statistical Manual of Mental Disorders. Oppose.	Senate Appropriations Suspense File 7/9/07
<b>Employer Coverage: Disclosure.</b> AB 343 (Solorio; D-Santa Ana) creates "List of Shame" for employers with 25 or more employees who employ individuals who are beneficiaries or who support beneficiaries of public health programs. Oppose.	Senate Appropriations Suspense File 7/9/07
<b>Health Savings Accounts.</b> AB 84 (Nakanishi; R-Lodi)/AB 245 (DeVore; R-Irvine) bring California income tax law into conformity with federal income tax laws to provide personal tax deductions for health savings accounts, providing greater flexibility for employee health care options. Support.	Held in Assembly Revenue & Taxation Suspense File 5/21/07
<b>Health Savings Accounts.</b> SB 25 (Maldonado; R-Santa Maria) brings California income tax law into conformity with federal income tax laws to provide personal tax deductions for health savings accounts, providing greater flexibility for employee health care options. Support.	Senate Revenue & Taxation Suspense File 5/9/07
<b>Income Tax Deduction for Medical Care.</b> AB 1040 (Duvall; R-Yorba Linda) provides tax deduction for individuals for the cost of health insurance. Currently, individuals are not entitled to a tax deduction for the purchase of health care coverage, whereas employer-purchased coverage is pre-tax income. Support.	Held in Assembly Revenue & Taxation Suspense File 5/21/07
<b>Health Savings Account: Employer Tax Credit.</b> AB 85 (Nakanishi; R-Lodi) provides tax credit to employers for contributing to employee health savings accounts. Support.	Held in Assembly Revenue & Taxation Suspense File 5/21/07
<b>Health Savings Account: Employer Tax Credit.</b> SB 199 (Harman; R-Huntington Beach) provides tax credit to employers for contributing to employee health savings accounts. Support.	Senate Revenue & Taxation Suspense File 5/9/07
<b>Employee Fitness Tax Credit.</b> AB 1439 (Levine; D-Van Nuys) encourages employers to foster healthy workplaces by providing a small tax credit (10 percent) for qualifying expenditures. Support.	Assembly Revenue & Taxation 5/7/07

Subject and Bill — CalChamber Position	Status
<b>Medi-Cal Reimbursement Rates.</b> AB 1312 (Emmerson; R-Redlands) helps preserve access to health care by increasing Medi-Cal reimbursement rates to 80 percent of Medicare for physicians and hospitals to reflect changing medical care costs. Support.	Assembly Appropriations Suspense File 5/31/07
<b>Cafeteria Plans: Tax Credit.</b> SB 820 (Ashburn; R-Bakersfield) provides a tax credit incentive to employers to offer Section 125 plans as a benefit for employees to use pre-tax income to purchase health coverage. Currently, individuals are not entitled to a tax deduction for the purchase of health care coverage, whereas employer-purchased coverage is pre-tax income. Support.	Senate Revenue & Taxation 5/15/07
<b>Health Care Tax on Employers.</b> SB 48 (Alquist; D-Santa Clara), before June 25 amendments, would have imposed a tax on small employers who can't afford to provide health care coverage, to fund health care coverage for those who don't currently purchase it. Some provisions were merged into AB 8. As amended, deals with community development: healthy food choices. No Position/ <b>Former Job Killer</b> .	Passed Assembly Health 7/3/07
<b>Housing and Land Use</b>	
<b>Increased Construction Costs.</b> AB 888 (Lieu; D-Torrance) increases cost to businesses by shifting the development of "green building" standards for commercial buildings from the Building Standards Commission, which considers cost impact in its development of standards, to other state entities, which do not consider cost impact and have no experience in the development or adoption of building standards. Oppose/ <b>Job Killer</b> .	Passed Senate Environmental Quality 7/2/07
<b>Increased Construction Costs.</b> AB 1058 (Laird; D-Santa Cruz) increases cost to businesses by shifting the development of "green building" standards for residential buildings from the Building Standards Commission, which considers cost impact in its development of standards, to other state entities, which do not consider cost impact and have no experience in the development or adoption of building standards. Oppose/ <b>Job Killer</b> .	Passed Senate Environmental Quality 7/10/07
<b>Increased Construction Costs.</b> AB 35 (Ruskin; D-Redwood City) increases cost to businesses by shifting the development of "green building" standards for government buildings from the Building Standards Commission, which considers cost impact in its development of standards, to other state entities, which do not consider cost impact and have no experience in the development or adoption of building standards. Oppose/ <b>Job Killer</b> .	Passed Senate Environmental Quality 7/2/07
<b>Rental Property: Owner Restrictions.</b> SB 464 (Kuehl; D-Santa Monica) discourages construction and investment in rental housing by forcing rental property owners to stay in business, regardless of economic circumstances. Oppose/ <b>Job Killer</b> .	Senate Inactive File 6/7/07
<b>Industrial Safety and Health</b>	
<b>Workplace Safety and Health: Diacetyl.</b> AB 514 (Lieber; D-Mountain View) forces food manufacturers to move production and jobs out of state by prohibiting the use of diacetyl, a natural butter flavoring, in processed foods. Oppose.	Senate Second Reading 7/25/07
<b>Occupational Safety and Health.</b> AB 515 (Lieber; D-Mountain View) requires the Occupational Safety and Health Standards Board to adopt permissible exposure levels as determined by the Office of Environmental Health Hazards Assessment, with few exceptions, trumping the effective and participatory rulemaking process now in place. Oppose.	Passed Senate Environmental Quality 7/2/07

Subject and Bill — CalChamber Position	Status
<b>International Trade</b>	
<p><b>*Trade Promotion Authority.</b> Trade promotion authority (formerly called fast track trade negotiating authority) is the process by which Congress gives authority to the President and/or U.S. Trade Representative to enter into trade negotiations in order to lower U.S. export barriers. The authority expired in June 2007. Support.</p>	<p>Pending renewal by Congress</p>
<p><b>*U.S.-Peru Free Trade Agreement.</b> A bilateral free trade agreement that will lower tariffs and foster increased trade between both countries. This agreement is a critical element of a possible U.S.-Andean Free Trade Agreement. Support.</p>	<p>Pending Congressional Action</p>
<p><b>*U.S.-Colombian Free Trade Agreement.</b> A bilateral free trade agreement that will lower tariffs and foster increased trade between both countries. This agreement is a critical element of a possible U.S.-Andean Free Trade Agreement. Support.</p>	<p>Pending Congressional Action</p>
<p><b>*U.S.-Panama Free Trade Agreement.</b> A bilateral free trade agreement that will lower tariffs and foster increased trade between both countries. The agreement also will increase momentum toward lowering trade barriers and set a positive example for other small economies in the Western Hemisphere. Support.</p>	<p>Pending Congressional Action</p>
<p><b>*U.S.-Korea Free Trade Agreement.</b> A bilateral free trade agreement that will lower tariffs and foster increased trade between both countries and is a critical element of the U.S. strategy to liberalize trade through multilateral, regional and bilateral initiatives. Support.</p>	<p>Pending Congressional Action</p>
<b>Labor and Employment</b>	
<p><b>Independent Contractors.</b> SB 622 (Padilla; D-Pacoima) creates a new excuse to sue employers and exposes them to excessive new penalties for “willful misclassification” of independent contractors without providing clear compliance guidelines. Oppose/<b>Job Killer</b>.</p>	<p>Assembly Appropriations Suspense File 7/18/07</p>
<p><b>Mandatory Payments for Striking Employees.</b> AB 504 (Swanson; D-Oakland) forces employers to pay striking employees by creating a new definition of lockout that requires an employer to pay restitution to employees. Oppose/<b>Job Killer</b>.</p>	<p>Senate Third Reading 6/26/07</p>
<p><b>Increased Agricultural Costs.</b> SB 180 (Migden; D-San Francisco) hurts competitiveness of California agriculture producers, driving businesses out of state, killing jobs and increasing loss of farmland, by artificially increasing labor costs for California producers who must compete in a global market with lower-than-average operating costs; removes secret ballot election requirement for union representation and prohibits employer communication with employees. Oppose/<b>Job Killer</b>.</p>	<p>Senate Unfinished Business 7/12/07</p>
<p><b>Increased Health Care Costs.</b> AB 1201 (Leno; D-San Francisco) reduces access to health care due to increased labor costs resulting from unlawful altering of federal labor law governing union eligibility requirements and secret ballot union elections. Oppose/<b>Job Killer</b>.</p>	<p>Held in Assembly Appropriations Suspense File 5/31/07</p>
<p><b>4-Day Workweek.</b> AB 510 (Benoit; R-Bermuda Dunes) helps employers achieve greater flexibility in work schedules by allowing employees to request and employers to mutually agree to a four-day compressed workweek. Sponsor/Co-Sponsor.</p>	<p>Failed passage in Assembly Labor &amp; Employment 4/18/07; Reconsideration granted</p>
<p><b>Family and Medical Leave.</b> AB 537 (Swanson; D-Oakland) proposes to increase the cost of doing business due to expanded protected leave for employees that employers must grant regardless of business necessity. Oppose.</p>	<p>Senate Appropriations Suspense File 7/16/07</p>



Subject and Bill — CalChamber Position	Status
<b>Indoor Heat Regulations.</b> AB 1045 (Richardson; D-Long Beach) is unwarranted attempt to bypass the effective process and statutory authority of the California Occupational Safety and Health Standards Board and the Division of Occupational Safety and Health to develop and adopt standards regulating exposure to excessive indoor heat. Oppose.	Senate Appropriations Suspense File 7/9/07
<b>Personnel Records.</b> AB 1707 (Committee on Labor and Employment) unreasonably expands employee access to personnel records and establishes new employer liability for providing access to and copies of personnel records. Oppose.	Passed Senate Labor & Industrial Relations 7/11/07
<b>Plain Language Workplace Posters.</b> AB 613 (Tran; R-Costa Mesa) establishes a working group of employer and employee representatives to work together to rewrite current state-mandated workplace posters using plain, simple language. Sponsor/Co-Sponsor.	Failed Passage in Assembly Labor & Employment 4/18/07; Reconsideration granted
<b>Wage Discrimination.</b> AB 435 (Brownley; D-Santa Monica) imposes unwarranted and unreasonable requirements for maintaining paperwork, and increases employer exposure to untimely lawsuits. Oppose.	Senate Second Reading 7/20/07
<b>Bereavement Leave.</b> SB 549 (Corbett; D-San Leandro) unreasonably expands employer's liability for a new protected bereavement leave for employees. Oppose.	Assembly Third Reading 7/16/07
<b>Familial Status.</b> SB 836 (Kuehl; D-Santa Monica) unnecessarily creates a vague and expansive new basis for employer liability under the Fair Employment and Housing Act by adding "familial status" to the list of classes protected from employment discrimination. Oppose.	Passed Assembly Judiciary 7/10/07
<b>Public Works: Prevailing Wage Payments: Payroll Records.</b> SB 569 (Steinberg; D-Sacramento) increases employment-related lawsuits by establishing an unprecedented database of publicly accessible contractor information and expanding private rights of action leveled by joint labor management committees. Oppose.	Assembly Labor & Employment 7/2/07
<b>Labor Contractors.</b> AB 377 (Arambula; D-Fresno) inappropriately creates joint liability for farmers by requiring farm labor contractors to print on the pay stubs they provide to their employees the name and address of the person who contracted with the farm labor contractor. Oppose.	Senate Third Reading 7/11/07
<b>Employment Rights.</b> AB 652 (Maze; R-Visalia) potentially increases workplace violence by prohibiting employers from adopting workplace safety policies banning guns in employees' vehicles on employer property. Oppose.	Assembly Labor & Employment 4/18/07
<b>Legal Protection and Reform</b>	
<b>Increased Employer Liability Exposure.</b> AB 437 (Jones; D-Sacramento) greatly expands employers' liability exposure and hampers their ability to defend themselves by effectively removing any statute of limitations for lawsuits challenging any employer decision that affects pay or benefits. Oppose/ <b>Job Killer</b> .	Senate Third Reading 7/17/07
<b>Joinder: Representative Actions.</b> AB 1505 (Parra; D-Hanford) helps improve California's rock bottom legal climate by bringing balance to class action lawsuit standards so that class actions are used for meritorious rather than frivolous, profit-motivated claims. Support.	Held in Assembly Judiciary 5/8/07
<b>Employment Contracts.</b> AB 1043 (Swanson; D-Oakland) sets a bad precedent for statutory interference with employment contracts and discourages companies from offering employment in California by unnecessarily restricting contract terms. Oppose.	Senate Third Reading 6/28/07
<b>Exemplary Damages.</b> SB 423 (Harman; R-Huntington Beach) helps improve California's rock-bottom legal climate by preventing out-of-control, extreme punitive damages awards with a cap that limits them to an amount no greater than three times the compensatory damages award. Sponsor/Co-Sponsor.	Senate Judiciary 2/28/07

Subject and Bill — CalChamber Position	Status
<b>Disability Access Law Compliance.</b> SB 747 (Corbett; D-San Leandro) is bipartisan vehicle intended for needed reforms to facilitate compliance with disabled access laws and to reduce abusive, profit-motivated lawsuits being filed under those laws against large numbers of small businesses throughout California. Support.	Held at Assembly Desk 6/4/07
<b>Compensation Recovery Actions: Liquidated Damages.</b> AB 448 (Arambula; D-Fresno) harms small employers by allowing a new form of damages to be awarded against them in administrative minimum wage claims, above and beyond significant penalties in current law. Oppose.	Senate Third Reading 6/28/07
<b>Unfair Competition: Actions by City Attorneys.</b> SB 376 (Migden; D-San Francisco) inappropriately carves out exceptions to existing business defenses under the unfair competition law by authorizing San Francisco district attorney to prosecute unfair competition claims. Oppose.	Chapter 17
<b>State of Emergency: Immunity from Liability.</b> AB 880 (Nava; D-Santa Barbara) provides immunity from liability for businesses and non-profits that donate resources to assist with a disaster. Support.	Assembly Judiciary 5/8/07
<b>Other</b>	
<b>Tribal Gaming: Compact Ratification.</b> AB 266 (Calderon; D-Montebello) provides a steady revenue source for the state by ratifying a compact agreement. Support.	Introduced 2/5/07
<b>Tribal Gaming: Compact Ratification.</b> SB 174 (Duchen; D-San Diego) provides a steady revenue source for the state by ratifying a compact agreement. Support.	Chapter 38
<b>Political Affairs</b>	
<b>Political Reform Act of 1974: California Clean Money and Fair Elections Act of 2007.</b> AB 583 (Hancock; D-Berkeley) inappropriately allocates precious tax dollars for highways and schools and instead directs those dollars to political campaigns of the Governor and an unspecified Senate and Assembly district. Oppose.	Senate Elections, Reapportionment & Constitutional Amendments 6/14/07
<b>Political Reform Act of 1974: Contribution Limits.</b> AB 1430 (Garrick; R-Solana Beach) protects membership organizations' ability to communicate with their members about support or opposition to candidates and ballot measures. Support.	Senate Third Reading 7/12/07
<b>Privacy and Confidentiality</b>	
<b>Personal Information: State Agencies and Businesses.</b> AB 779 (Jones; D-Sacramento) imposes onerous and unneeded data management requirements on business and creates new financial liabilities for small and medium-sized businesses accepting credit and debit cards. Oppose.	Senate Appropriations 7/10/07
<b>Privacy: Radio Frequency Identification Tags.</b> SB 388 (Corbett; D-San Leandro) compromises new technology's security features by requiring public notification of its existence and use. Oppose.	Assembly Third Reading 7/5/07
<b>Personal Information: Prohibited Practices.</b> SB 328 (Corbett; D-San Leandro) restricts how business may obtain personal information when investigating suspicious or potentially criminal activities in a business setting. Oppose.	Assembly Banking & Finance 6/21/07
<b>Contracts: Translation.</b> AB 512 (Lieber; D-Mountain View) increases costs and paperwork, and causes delays in mortgage lending practices by requiring contract summaries to be translated into the five most common languages spoken in the state, if the loan was negotiated in that language. Oppose.	Passed Senate Judiciary 7/10/07
<b>Identity Information Protection Act of 2007.</b> SB 30 (Simitian; D-Palo Alto) stifles new and innovative technologies by severely restricting government's ability to freely incorporate their uses. Oppose.	Assembly Appropriations Suspense File 7/11/07

Subject and Bill — CalChamber Position	Status
<b>Internet Transactions: Verification: Banking and Financial Services.</b> AB 1677 (Calderon; D-Montebello) compromises the financial transaction authentication policies and procedures of companies processing Internet transactions and creates a new civil penalty after the financial institution has reimbursed fraudulent transactions on a customer's account. Oppose.	Assembly Inactive File 6/4/07
<b>Public Employees Retirement System</b>	
<b>Public Retirement Systems: Investments: Terrorism.</b> SB 461 (Ashburn; R-Bakersfield) creates an arbitrary and risky standard for public employee retirement fund investments by using them to create foreign policy. Oppose.	Failed passage in Senate Public Employment & Retirement 4/16/07; Reconsideration granted 4/23/07
<b>Taxation</b>	
<b>Tax on Freight Movement.</b> SB 974 (Lowenthal; D-Long Beach) increases the cost of shipping goods and makes California less competitive by imposing an illegal per-container tax in the ports of Long Beach, Los Angeles and Oakland. Oppose/ <b>Job Killer</b> .	Passed Assembly Transportation 7/9/07
<b>Single-Payer Health Care Coverage Tax.</b> SB 1014 (Kuehl; D-Santa Monica) may force companies to close their doors or cut jobs, and push individuals and companies to leave California by imposing new income and payroll taxes, even though the state already has the ninth highest tax burden in the country, in order to fund a new multibillion-dollar government-run health care program. Oppose.	Senate Revenue & Taxation 4/25/07
<b>Business Investment Incentive and Tax Relief.</b> SB 359 (Runner; R-Lancaster) promotes investments in and expansions of California-based operations and jobs by establishing key tax incentives that will significantly improve California's tax climate by: 1) providing sales and tax relief for the airline industry; 2) increasing the research and development credit for all industries; and 3) reducing the tax burden on multistate and multinational companies that locate and expand jobs and operations within the state. Support.	Senate Revenue & Taxation 5/14/07
<b>Corporation Tax Law: Allocation and Apportionment.</b> AB 1591 (Ma; D-San Francisco) encourages multistate and multinational companies to expand and locate operations and jobs in this state by reducing an unfair tax burden imposed upon companies that do so currently. Support.	Assembly Revenue & Taxation 7/19/07
<b>Research and Development Credit.</b> AB 751 (Lieu; D-Torrance) strengthens the economy by encouraging investments in California-based research and development activities and jobs by increasing California's research and development tax credit from 15 percent to 20 percent, as well as the alternative incremental credit from 3 percent to 5 percent, in conformity with federal law. Support.	Held in Assembly Revenue & Taxation Suspense File 5/21/07
<b>Research and Development Credit.</b> SB 928 (Harman; R-Huntington Beach) strengthens the economy by encouraging investments in California-based research and development activities and jobs by increasing California's research and development tax credit from 15 percent to 20 percent, in conformity with federal law. Support.	Senate Revenue & Taxation 4/25/07
<b>Clean Technology Research and Development Credit.</b> AB 1285 (Parra; D-Hanford) encourages investment in California-based manufacturing, research and development of clean equipment and technology in order to promote early reduction of greenhouse gas emissions and to position California as the location of choice for clean technology companies and jobs. Sponsor/Co-Sponsor.	Assembly Revenue & Taxation 5/14/07
<b>California Cleantech Advantage Act of 2008.</b> AB 1527 (Arambula; D-Fresno) creates sales and use tax exemption for manufacturing and research and development credit for small businesses producing clean technology. Support.	Assembly Revenue & Taxation 6/26/07

Subject and Bill — CalChamber Position	Status
<b>Manufacturing Equipment Purchases.</b> AB 1152 (Niello; R-Fair Oaks) encourages manufacturers to retain and expand precious manufacturing operations and jobs in California by allowing for a partial sales tax exemption on purchases of new manufacturing equipment that is currently offered by many other states. Support.	Held in Assembly Revenue & Taxation Suspense File 5/21/07
<b>Retail Sales: Rebates.</b> AB 1673 (Feuer; D-Los Angeles) harms consumers by discouraging retailers from offering manufacturers' rebates. Oppose.	Senate Third Reading 6/28/07
<b>Tobacco Tax.</b> SB 24 (Torlakson; D-Antioch) locks in costly new government spending programs related to tobacco cessation, research and education, but funds them with an unreliable revenue source — a new tax on purchases of cigarettes and cigars — which will harm the economy. Oppose.	Senate Revenue & Taxation 4/30/07
<b>Cigarette Tax.</b> SCA 13 (Torlakson; D-Antioch) creates a new excessive tax on cigarette distribution. Oppose.	Senate Revenue & Taxation 6/14/07
<b>Income and Corporation Taxes: Rate Reduction.</b> AB 1443 (DeVore; R-Irvine) stimulates the economy by reducing California's tax burden, currently the eighth highest in the country, by reducing the personal income and corporate tax rates each by .05 percent. Support.	Held in Assembly Revenue & Taxation Suspense File 5/21/07
<b>Voter Approval of Tax Increases.</b> SCA 5 (McClintock; R-Thousand Oaks) helps to ensure taxes that are disguised as fees do not circumvent the two-thirds vote requirement of the California Constitution. Support.	Senate Revenue & Taxation 4/25/07
<b>Corporation Tax Law: Water's-Edge: Administration.</b> SB 788 (Cogdill; R-Modesto) permits Franchise Tax Board to conduct audits of water's-edge election returns on a discretionary rather than mandatory basis. Support.	Assembly Consent Calendar 7/19/07
<b>Net Operating Losses.</b> AB 135 (Houston; R-San Ramon) helps businesses better manage their tax liability by expanding the number of years — from what is generally 10 years to 20 years — in which they can claim a deduction for a net operating loss. Support.	Held in Assembly Revenue & Taxation Suspense File 5/21/07
<b>Enterprise Zones: Manufacturing Equipment Credits.</b> SB 417 (Cogdill; R-Modesto) encourages business investments in enterprise zones by ensuring companies receive full tax credit for large purchases of manufacturing equipment in a single year. Support.	Senate Revenue & Taxation 4/25/07
<b>Research and Development Equipment.</b> AB 1206 (Smyth; R-Santa Clarita) encourages investments in California-based research and development activities and jobs by creating a partial sales tax exemption for purchases of equipment used in research and development. Support.	Assembly Revenue & Taxation 5/23/07
<b>Telecommunications Equipment.</b> AB 1681 (Houston; R-San Ramon) establishes sales tax exemption for property used for telecommunications and electrical generation. Support.	Held in Assembly Revenue & Taxation Suspense File 5/21/07
<b>Disaster Relief.</b> SB 114 (Florez; D-Shafter) provides tax relief to help farm owners survive severe crop losses as a result of the January 2007 freeze. Support.	Assembly Appropriations Suspense File 7/18/07
<b>Freeze Relief.</b> SB 148 (Hollingsworth; R-Murrieta) provides property tax relief for tree farmers impacted by the January 2007 freeze. Support.	Assembly Appropriations Suspense File 7/11/07
<b>Limited Liability Companies: Tax Change.</b> SB 749 (Oropeza; D-Long Beach) retroactively to 2001 changes current LLC tax to apportioned tax. Oppose.	Senate Revenue & Taxation 5/7/07
<b>Minimum Annual Tax Reduction.</b> AB 1179 (Garrick; R-Solana Beach) reduces minimum annual tax for corporations, limited liability companies and limited liability partnerships from \$800 to \$100. Support.	Held in Assembly Revenue & Taxation Suspense File 5/21/07



Subject and Bill — CalChamber Position	Status
<b>Freeze Relief: Wages.</b> AB 287 (Nava; D-Santa Barbara) provides a tax credit for wages paid by farmers located in one of the counties that suffered severe losses from the January 2007 freeze. Support.	Held in Assembly Appropriations Suspense File 5/31/07
<b>Freeze Relief: Newly Planted Trees.</b> AB 297 (Maze; R-Visalia) provides property tax relief for tree farmers impacted by the January 2007 freeze. Support.	Senate Appropriations 7/12/07
<b>Clean Marine Fuels Tax Incentive Act.</b> AB 846 (Blakeslee; R-San Luis Obispo) encourages clean fuel consumption by creating a sales tax exemption for low-sulfur fuels used in marine vessels. Support.	Held in Assembly Appropriations Suspense File 5/31/07
<b>Green Vehicles Credit.</b> SB 810 (Corbett; D-San Leandro) encourages investments in and manufacturing of clean vehicles in California. Support.	Senate Revenue & Taxation 5/9/07
<b>Environmental Building Expenses Credit.</b> SB 794 (Maldonado; R-Santa Maria) creates a corporate and income tax credit for environmental building. Support.	Senate Revenue & Taxation 5/9/07
<b>Enterprise Zones: Environmental Impact Reports.</b> SB 341 (Lowenthal; D-Long Beach) reduces the application burden for applicants for enterprise zones by requiring the filing of an environmental impact report only when necessary. Support.	Assembly Appropriations 7/11/07
<b>Corporation Taxes: Deductions: Interest Expense.</b> AB 1618 (Feuer; D-Los Angeles) conforms California law regarding dividends deductions to Supreme Court ruling. Oppose.	Senate Third Reading 7/16/07
<b>Tax Amnesty Program.</b> AB 561 (Walters; R-Laguna Niguel) increases interest rate for refunds and penalties under the 2005 tax amnesty program. Support.	Senate Revenue & Taxation Suspense File 7/11/07
<b>Capital Investment Incentive Program.</b> SB 360 (Negrete McLeod; D-Chino) eliminates investment incentive on basis that it is not used. Oppose.	Assembly Local Government 5/24/07
<b>Tax-Exempt Organizations: Administration.</b> AB 897 (Houston; R-San Ramon) streamlines the tax filing process for non-profit corporations. Support.	Passed Senate Revenue & Taxation 7/11/07
<b>Improvement Districts.</b> AB 1208 (Silva; R-Huntington Beach) helps business property owners by clarifying property and business improvement district laws. Support.	Chapter 114
<b>Franchise Tax Board Administration: Notice of Proposed Deficiency.</b> AB 1360 (Anderson; R-La Mesa) requires Franchise Tax Board to postmark notices of proposed deficiency. Support.	Passed Senate Revenue & Taxation 7/11/07
<b>Alcoholic Beverage Tax.</b> SB 297 (Romero; D-Los Angeles) authorizes counties to levy tax on alcohol consumption in bars and restaurants. Oppose.	Senate Revenue & Taxation 4/16/07
<b>Recording Fees: Contra Costa and San Mateo Counties.</b> AB 239 (DeSaulnier; D-Concord) authorizes increase in recording fee in Contra Costa and San Mateo counties in order to fund low-income housing. Oppose.	Senate Local Government 6/7/07
<b>Motor Vehicle Tax.</b> AB 878 (Davis; D-Los Angeles) imposes a motor vehicle tax disguised as a fee in order to fund motor vehicle theft enforcement. Oppose.	Senate Third Reading 7/18/07

Subject and Bill — CalChamber Position	Status
<b>Telecommunications</b>	
<b>Billing: Mobile Telephony Service.</b> SB 831 (Lowenthal; D-Long Beach) limits consumer choices by creating new regulatory burdens on the wireless phone industry that potentially eliminate the ability of wireless carriers to differentiate themselves in the market and could lead to decreased competition. Oppose.	Failed passage in Senate 6/7/07
<b>Mobile Telephony Services: Handsets.</b> SB 158 (Florez; D-Shafter) unreasonably requires mobile telephone service providers to unlock a customer's handset for use with a competitor's network, despite the fact that most handsets are specifically tailored for use with the original carrier's network and are not likely to function on other networks. Oppose.	Failed passage in Assembly Utilities & Commerce 7/2/07
<b>Transportation</b>	
<b>Growth Restrictions.</b> SB 375 (Steinberg; D-Sacramento) limits increased transportation capacity and affordable housing, and thwarts intent of voters who approved broad-based transportation bonds, by blocking use of these funds except for narrowly defined "infill" development projects. Oppose/ <b>Job Killer</b> .	Passed Assembly Transportation 7/9/07
<b>State Highway System: Construction Inspections.</b> AB 1337 (Nava; D-Santa Barbara) forbids the hiring of private businesses in performing all of the construction inspection functions related to the state highway system. Oppose.	Assembly Transportation 4/23/07
<b>State Parks Roads.</b> AB 1457 (Huffman; D-San Rafael) increases construction costs for roads or extending existing roads through state parks by requiring project applicants to pay costs for the Department of Parks and Recreation determinations. Would have stopped a major project in Southern California. Oppose.	Assembly Water, Parks & Wildlife 4/24/07
<b>Design-Build Contracting.</b> SB 442 (Ackerman; R-Tustin) reduces bureaucratic hurdles and increases accountability by extending current provisions of law allowing for design-build contracts on transit projects to include specific highway projects. Support.	Failed passage in Senate Transportation & Housing 4/24/07; Reconsideration granted
<b>Design-Build Demonstration Program.</b> SB 56 (Runner; R-Lancaster) is intent bill to allow a careful examination of the benefits and challenges of using a design-build method of procurement for transportation projects. Support.	Held in Senate Appropriations Suspense File 5/31/07
<b>San Bernardino Design-Build Project.</b> AB 1373 (Emmerson; R-Redlands) reduces bureaucratic hurdles and increases accountability by authorizing the San Bernardino Associated Governments (SANBAG) to use design-build procurement in certain circumstances. Support.	Assembly Transportation 4/23/07
<b>Riverside County Design-Build Contracts.</b> AB 1240 (Benoit; R-Bermuda Dunes) reduces bureaucratic hurdles and increases accountability by authorizing the Riverside County Transportation Commission to enter into design-build contracts to construct commuter rail lines. Support.	Assembly Transportation 5/7/07
<b>Water Supply and Quality</b>	
<b>Housing Development Restrictions.</b> AB 5 (Wolk; D-Davis) stops new housing development in the Central Valley by punishing new development for the failure of local agencies to develop food control plans that are based on information not available until 2011. Oppose/ <b>Job Killer</b> .	Passed Senate Judiciary 7/10/07
<b>Housing Development Restrictions.</b> AB 70 (Jones; D-Sacramento) halts development of housing by imposing joint liability on cities and counties for any food damage, if they permit housing in undeveloped areas. Oppose/ <b>Job Killer</b> .	Senate Third Reading 7/17/07

Subject and Bill — CalChamber Position	Status
<b>Central Valley Flood Protection.</b> AB 1452 (Wolk; D-Davis) slows development by slowing or stopping levee improvement projects and defers establishment of flood protection standards to the Department of Water Resources. Oppose.	Passed Senate Natural Resources & Water 7/10/07
<b>Water Bond.</b> SB 59 (Cogdill; R-Modesto) is a \$3.9 billion general obligation bond to finance much-needed new water storage facilities to ease chronic water shortages and promote economic vitality. Support.	Failed passage in Senate Natural Resources & Water 4/24/07; Reconsideration granted
<b>Land Use Planning: Flood Control.</b> SB 6 (Oropeza; D-Long Beach) requires inclusion in the General Plan of flood risks based on climate changes and allows denial of a project based on a finding that the project is likely to cause a substantial risk of flooding to the site or adjacent sites. Oppose.	Senate Local Government 4/24/07
<b>Vended Water.</b> SB 220 (Corbett; D-San Leandro) increases costs to bottled water industry by requiring additional information on bottles. Oppose.	Assembly Appropriations Suspense File 7/18/07
<b>Bottled Drinking Water.</b> AB 1521 (Salas; D-Chula Vista) increases costs to bottled water industry by requiring additional information on bottles. Oppose.	Passed Senate Health 7/11/07
<b>Regional Water Quality Control Boards: Membership.</b> SB 1001 (Perata; D-Oakland) makes regional water boards less accountable to the public by changing their membership. Imposes new procedures that set up an adversarial relationship between the state board and the regional boards, thereby limiting their effectiveness. Oppose.	Passed Assembly Environmental Safety & Toxic Materials 7/3/07
<b>Water Replenishment Districts.</b> AB 640 (De La Torre; D-South Gate), before amendments making it a study bill, would have usurped local water district ratemaking authority and shifted it to the Legislature; would have inhibited local participation in long-term water solutions; and may have led to increased demands on imported water. Neutral.	Passed Senate Natural Resources & Water 7/10/07
<b>Workers' Compensation</b>	
<b>Roll Back of Cost-Saving Workers' Compensation Reforms.</b> SB 936 (Perata; D-Oakland) increases the cost of hiring and keeping employees by rolling back historic reforms and doubling permanent disability costs in California's workers' compensation system. Oppose/ <b>Job Killer</b> .	Assembly Inactive File 7/12/07
<b>Increased Workers' Compensation Costs.</b> SB 942 (Migden; D-San Francisco) increases lawsuits against employers by expanding anti-discrimination laws related to workers' compensation claims and creating a legal presumption that an employer has discriminated. Oppose/ <b>Job Killer</b> .	Assembly Third Reading 7/9/07
<b>Roll Back of Cost-Saving Workers' Compensation Reforms.</b> AB 338 (Coto; D-San Jose) undermines workers' compensation reforms and increases temporary disability costs in workers' compensation claims by increasing the number of weeks benefits can be paid, and by creating a disincentive to use utilization review to enforce medical treatment guidelines. Oppose/ <b>Job Killer</b> .	Senate Appropriations Suspense File 7/20/07
<b>Permanent Disability Benefit Increase.</b> AB 1212 (Núñez; D-Los Angeles) increases workers' compensation costs by requiring the Division of Workers' Compensation to promulgate regulations to increase permanent disability benefits by January 1, 2009. Oppose.	Passed Senate Labor & Industrial Relations 7/11/07
<b>Supplemental Job Displacement Benefits.</b> AB 1636 (Mendoza; D-Artesia) raises workers' compensation costs by allowing injured workers to be eligible for supplemental job displacement vouchers prior to a final determination of a permanent disability rating. Oppose.	Passed Senate Labor & Industrial Relations 7/11/07
<b>Medical Treatment Utilization Schedule.</b> AB 1073 (Nava; D-Santa Barbara) increases workers' compensation costs by altering the caps on physical therapy, occupational therapy and chiropractic care. Oppose.	Senate Third Reading 7/12/07

Subject and Bill — CalChamber Position	Status
<b>Inpatient Burn Diagnoses: Reimbursement Review.</b> AB 1269 (Hernandez; D-La Puente) circumvents the regulatory process by requiring the Division of Workers' Compensation to increase reimbursements for inpatient burn diagnoses treatment. Oppose.	Passed Senate Labor & Industrial Relations 7/11/07
<b>Expanded Eligibility.</b> AB 419 (Lieber; D-Mountain View) increases workers' compensation costs by expanding the number of public safety workers who are eligible for expanded benefits and preferential treatment in California's workers' compensation law. Oppose.	Senate Appropriations Suspense File 7/16/07
<b>Audits.</b> AB 812 (Hernandez; D-La Puente) combats fraud by allowing insurers to penalize employers that do not comply with requirements to allow audits to verify payroll for purposes of calculating premium. Support.	Senate Third Reading 7/10/07
<b>Insurance.</b> SB 316 (Yee; D-San Francisco) eliminates a redundancy reserve requirement by deleting provisions in current law that require insurers to maintain certain minimum reserves for outstanding losses and loss expenses for each of the most recent three years for workers' compensation and other lines. Support.	Passed Assembly Insurance 6/27/07
<b>Public Safety Personnel: Presumption: MRSA Skin Infections.</b> AB 166 (Bass; D-Los Angeles) increases the cost of workers' compensation insurance by expanding the list of injuries that are presumed to be industrial for some public safety officers. Oppose.	Held in Assembly Appropriations Suspense File 5/31/07
<b>Medical Treatment Utilization Review.</b> AB 644 (Dymally; D-Compton) increases workers' compensation costs by changing the rules for utilization review processes. Oppose.	Assembly Insurance 4/25/07
<b>Medical Treatment.</b> AB 807 (Hancock; D-Berkeley) increases workers' compensation costs by deleting caps on chiropractic care, physical therapy and occupational therapy when that treatment is prescribed following surgery. Oppose.	Assembly Insurance 5/9/07
<b>Temporary Disability: Public Safety Personnel.</b> SB 154 (Cedillo; D-Los Angeles) rolls back reforms by providing that the two-year cap on temporary disability benefits does not apply to certain public safety employees. Oppose.	Held in Senate Appropriations Suspense File 5/31/07
<b>Medical Treatment Utilization Schedule.</b> SB 352 (Padilla; D-Pacoima) increases workers' compensation costs by exempting public safety officers from the 24-visit cap on physical therapy, occupational therapy and chiropractic care. Oppose.	Held in Senate Appropriations Suspense File 5/31/07
<b>Temporary Disability.</b> AB 1341 (Benoit; R-Bermuda Dunes) preserves recent reforms by repealing the minimum temporary disability rate and adjusting the 104-week cap on temporary disability benefits. Support.	Assembly Insurance 4/23/07
<b>Family-Owned Farms: Workers' Compensation and Unemployment Insurance.</b> SB 452 (Cogdill; R-Modesto) eases unnecessary financial burdens on small, family-owned farms by excluding unpaid workers on a family farm, who are employed by their parent, spouse, child, grandparent, aunt, uncle or first or second cousin, from the definition of employee for the purposes of mandatory workers' compensation laws. Support.	Senate Labor & Industrial Relations 4/23/07
<b>Rating Organizations: Internet Web Sites.</b> AB 507 (De La Torre; D-South Gate), before being amended to remove opposition, created a website through the Workers' Compensation Insurance Rating Bureau (WCIRB) to provide coverage information for California employers having workers' compensation insurance. This website would be updated daily by the WCIRB to provide the most accurate information available. No Position.	Passed Assembly 6/5/07
<b>State Compensation Insurance Fund.</b> SB 723 (Yee; D-San Francisco) weakens the State Compensation Insurance Fund (SCIF) role as the workers' compensation carrier of last resort by authorizing SCIF to also provide small group health insurance. Oppose.	Senate Banking, Finance & Insurance 4/30/07



## Governor Appoints CalChamber-Backed Members to Cal/OSHA Board

Governor Arnold Schwarzenegger recently appointed two California Chamber of Commerce-supported members to the California Occupational Safety and Health (Cal/OSHA) Standards Board.

● **Jack Kastorff** is a new member to the board and has more than 30 years of experience in the occupational safety industry. He currently serves as risk control manager for Gregory B. Bragg and Associates, where he has worked since 1989.

Kastorff was a loss control manager for United Pacific Reliance Insurance from 1986 to 1989, and held the same position for Industrial Indemnity Insurance from 1980 to 1986. He also served as a loss control manager for Lachman and Associates from 1977 to 1980.

Kastorff is a member of the American Society of Safety Engineers, National Fire Protection Agency and the American College of Forensic Examin-

ers. Kastorff replaces board member Art Murray, an official of the International Brotherhood of Electrical Workers.

● **Steven Rank** has been reappointed to the Cal/OSHA Standards Board, where he has served since 2003. Rank also has served as director of the western region for the Ironworker Management Progressive Action Cooperative Trust, the Safety Institute of the District Council of Ironworkers and Employers Council and the California Ironworkers Employers Council (DCIW-CIEC) since 2002.

He was director of safety for the DCIW-CIEC Safety Institute from 2001 to 2003. Rank also was director of safety and health for the National Erectors Association from 1999 to 2000 and corporate director of safety and health for Ben Hur Construction from 1998 to 1999.

The board positions do not require

Senate confirmation, and compensation is \$100 per diem.

The Cal/OSHA Standards Board, a seven-member body appointed by the Governor, is the standards-setting agency within the Cal/OSHA program. The standards board's objectives are to adopt reasonable and enforceable standards at least as effective as federal standards.

The standards board also has the responsibility to grant or deny applications for variances from adopted standards and respond to petitions for new or revised standards. The part-time, independent board holds its monthly meetings in Sacramento, Los Angeles, Oakland and San Diego.

**Staff Contact: Marti Fisher**

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## CalChamber Calendar

### *Board of Directors:*

September 6-7, Dana Point

### *Fundraising Committee:*

September 6, Dana Point

### *Water Committee:*

September 6, Dana Point

### *Ad Hoc Climate Change Policy*

*Committee:* September 7, Dana Point

## Key to Status Descriptions

*Note:* In general, Senate bills that remain in a Senate committee and Assembly bills that remain in an Assembly committee are unlikely to see further action before legislators begin their interim recess on September 14. Fiscal (tax) bills, however, may be considered at any time.

- Assembly or Senate Inactive file: In house of origin; no further action on bill expected this year.
- Assembly or Senate Appropriations Suspense file: Bills with fiscal impact are placed on the suspense file pending the Legislature's review of their overall financial impact.
- Assembly Second Reading or Assembly Third Reading: Bill awaits action by full Assembly.
- Chapter: A bill listing a chapter number has been signed by the Governor and will become law on January 1, 2008 (urgency measures become law as soon as they are signed).
- Held in a committee: No further action on bill expected this year, except tax bills.
- Held at Assembly or Senate desk: Awaiting assignment to an Assembly or Senate policy committee.
- Reconsideration granted: No further action expected this year.
- Senate Third Reading: Bill awaits action by full Senate.

## Businesses Must Post New Federal Minimum Wage Poster

The California Chamber of Commerce is urging businesses to comply with the July 24 deadline to post the new federal minimum wage poster.

To help CalChamber members comply with this deadline, a free download of the poster is available at CalBizCentral, the source for California business and human resource compliance products, presented by the CalChamber.

Even though California's minimum wage is higher than the federal minimum wage, California employers still are required to display the new federal minimum wage posting along with the state minimum wage poster.

In January 2007, Congress passed and President George W. Bush subsequently signed a bill that increased the federal minimum wage from \$5.15 to \$7.25 an hour over the next two years. Even with this increase, the federal minimum wage will still be less than California's.

California employers need to continue paying employees at least the California minimum wage of \$7.50 per hour for the remainder of 2007 and \$8 per hour beginning January 1, 2008.

There are no citations or penalties for failure to post the federal minimum wage poster. However, there is a legal requirement to post the new federal minimum

wage poster now that the law has gone into effect.

In order to be in compliance, businesses may simply download the poster, print it out and place it next to their **2007 California and Federal Employment Poster**.

The Spanish version of the posting will be available on CalBizCentral once the language is finalized by the federal government.

To download the federal minimum wage poster, visit [www.calbizcentral.com/fedminwage](http://www.calbizcentral.com/fedminwage).

Readers with additional questions can contact CalBizCentral customer service at (800) 331-8877.

## CalChamber Urges Employer Action to Prevent Heat Illness

As temperatures reach triple digits, the California Chamber of Commerce is urging employers to take precautions and be aware of the signs of heat illness in their employees.

Heat illness occurs when the body's temperature control system is unable to maintain an acceptable temperature. Under normal circumstances, the body cools itself by sweating. However, when high temperatures and humidity prevent the body from releasing heat efficiently, a person's body temperature can rise quickly, causing numerous symptoms. If left untreated, high body temperatures can damage the brain and other vital organs and, ultimately, lead to death.

A report released recently by the University of California noted that heat-caused deaths among California workers were down compared to the year before. And despite last summer's heat wave, deaths due to heat stress in the workplace were lower than the previous year, according to recent findings from the California Division of Occupational Safety and Health (Cal/OSHA).

### Year-Old Rule

In July 2006, Cal/OSHA implemented new regulations to protect outdoor employees from the effects of heat exposure and mandated training requirements for employees and supervisors on the prevention, symptoms and treatment of heat illness.

The regulations apply to all companies with employees working in outdoor places of employment. In addition to the training requirements, employers must provide potable drinking water and access to shade and compile heat illness prevention procedures, including employee training, in writing.

Indoor workplaces also can pose a risk for heat illness, especially in times of triple-digit temperatures outside, so all employers are urged to be vigilant in taking steps to prepare for and prevent heat illness, including employee training.

### CalChamber Mini-Book

The CalChamber's **Heat Illness Prevention in California** mini-book complies with the new Cal/OSHA training requirements and is full of clear, medically accurate illustrations and plain-language, bilingual content for easy reader comprehension. The 5-by-5 inch mini-book easily fits into a vehicle, toolbox, desk or jacket or pants pocket as a constant reference for employees and supervisors to help prevent, identify and, if necessary, take action to treat heat illness symptoms.



In addition, each mini-book comes with a wallet card that employees can carry with them.

The **Heat Illness Prevention in California** mini-book was prepared with input from Cal/OSHA, which labels it a valuable resource and compliance tool for outdoor workers and supervisors.

The CalChamber also recommends that businesses post the **Heat Illness Safety and**

**Prevention** poster, a tool for the office that reinforces safe work habits in hot environments and serves as a reference to recognize symptoms of heat illness. The laminated poster easily fits on almost any wall, features realistic illustrations and lists key symptoms, signs and treatment for heat illness.

For more information or to purchase the **Heat Illness Prevention in California** mini-book or the **Heat Illness Safety and Prevention** poster, visit [www.calbizcentral.com](http://www.calbizcentral.com) and go to the health and safety section.

More information on heat illness is available at the state Department of Industrial Relations website, [www.dir.ca.gov](http://www.dir.ca.gov).

# CalChamber Urges Businesses to Support Free Trade Agreements Pending in Congress



The California Chamber of Commerce is urging businesses to support four free trade agreements (FTA) pending before Congress that will lower tariffs and foster increased trade between participating nations.

The CalChamber **strongly supports the bilateral U.S. trade agreements with Peru, Colombia, Panama and Korea**, all of which are critical to the U.S. strategy to liberalize trade through multilateral, regional and bilateral initiatives.

## Latin American FTAs

The Latin American agreements may be on the congressional agenda first.

Peru, Colombia and Panama are dynamic economies with pro-U.S. governments, and U.S. trade with these countries has nearly doubled over the last four years. Two-way commerce reached nearly \$28 billion in 2006. More than 19,500 U.S. companies export their products to Peru, Colombia and Panama, and more than 80 percent of these are small and medium-sized companies. U.S. farmers and ranchers sell more than a billion dollars worth of agricultural products to these markets, and U.S. manufacturers are enjoying double-digit sales growth that will only grow when the tariffs are removed.

Peru is the third largest country in South America and is approximately three times the size of California. Peru is the fifth most populous country in Latin America, with an annual gross domestic product (GDP) of more than \$67 billion. Peru's economy is one of the most dynamic in Latin America and has shown particularly strong growth over the last three years. Recent economic expansion has been driven by construction, mining, investment, domestic demand and exports. About 200,000 U.S. citizens visit Peru annually for business, tourism and study. Nearly 16,000 Americans reside in Peru, and more than 400 companies are repre-

sented in the country. In 2006, California exported \$180 million to Peru, making it one of the state's top 50 export markets.

A U.S.-Colombia FTA also will increase momentum toward lowering trade barriers and set a positive example for other small economies in the Western Hemisphere. In 2006, California exported more than \$200 million to Colombia, making it the state's 43rd largest export market.

Panama has the highest GDP per capita in Central America. Its economy is based largely on the services sector, which accounts for nearly 80 percent of the GDP. Services include the Panama Canal, banking, insurance, container ports, and medical and health. Panama has been hailed for the strong growth in its economy and its commitment to fighting corruption, combating narco-trafficking and promoting democracy. In 2006, the United States had a trade surplus with Panama, with exports totaling \$2.7 billion and imports slightly less than \$400 million. California exports to Panama totaled \$221 million, making it the state's 42nd largest export market.

## Korea FTA

The recently concluded trade agreement with Korea is another big win for the California and U.S. economies. Korea is the seventh-largest U.S. export market in the world (and the sixth largest market for farm exports). In 2006, U.S. exports to Korea reached \$43 billion, with U.S. small and medium-sized companies accounting for a third of this total.

By giving U.S. exporters a leg up in the world's 10th largest economy, the agreement with Korea will enhance the ability of U.S. companies to compete in the dynamic Asian market. Korea is California's fifth largest exporting partner. In 2006, California exported goods worth \$7 billion to Korea.

## Impact on California's Economy

California is one of the 10 largest economies in the world with a gross state product of approximately \$1.7 trillion. As one of the largest exporting states, California exports to 225 countries around the world. International-related commerce

accounts for approximately one-quarter of California's economy.

The CalChamber, in keeping with long-standing policy, enthusiastically supports free trade worldwide, expansion of international trade and investment, fair and equitable market access for California products abroad, and elimination of disincentives that impede the international competitiveness of California business.

The United States' standing as world leader depends directly upon its competitive success in the global economy. For the last half century, the United States has led the world in breaking down barriers to trade and in creating a fairer and freer international trading system based on market economics and the rule of law. Increased market access achieved through trade agreements has played a major role in the nation's success as the world's leading exporter.

## Action Needed

The Peru agreement is likely to come to a vote first, with congressional action expected early this fall.

The CalChamber urges businesses to send a letter to their member of Congress in support of the **U.S.-Peru FTA, U.S.-Colombia FTA, U.S.-Panama FTA, and U.S.-Korea FTA**. For a sample letter, see "Hot Issues" at [www.calchamber.com](http://www.calchamber.com).  
**Staff Contact: Susanne Stirling**

## Check Web for Budget Updates

As *Alert* went to press, the state's budget was still awaiting approval in the Senate. Senate Republicans and Democrats were continuing to negotiate over the spending plan, which passed the Assembly last week with bipartisan support. Watch the *Daily Headlines* e-mail and [calchamber.com](http://calchamber.com) for updates on budget activity.

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