

ALERT

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CalChamber Urging Veto of 'Job Killer' Proposals

Opposition Stops Many 'Job Killers' for Now



Before legislators adjourned their regular session on September 12, they sent 12 California Chamber of Commerce-opposed "job killer" bills to the Governor for consideration.

The CalChamber will be asking the Governor to veto these proposals and is urging employers to send their veto requests to the Governor as well.

Amendments made in the closing days of the regular session reduced the impact of several "job killers." Action on others has been delayed until the next session.

As the result of negotiations, legislation that originally would have rolled back cost-saving workers' compensation reforms now resolves a problem with current law and the CalChamber is urging support for the bill (see story below).

Seeking Veto

The CalChamber is asking the Governor to **veto** the following "job killer" bills: **Barriers to Affordable Housing**

● **AB 35 (Ruskin; D-Redwood City)** **Increased Construction Costs.** Establishes an isolated process by which a minimum level of "green building" standards are set by a private entity, thereby

See CalChamber: Page 4

Negotiations Turn Former 'Job Killer' Bill into Solution for a Workers' Comp Problem



SUPPORT

A former California Chamber of Commerce-opposed "job killer" bill that would have undermined workers' compensation reforms has been amended to bring the

CalChamber in **support**.

AB 338 (Coto; D-San Jose) has passed the Legislature and awaits action by Governor Arnold Schwarzenegger. The current version of the bill is the product of affected stakeholders and legislators working together to create an unquestionably reasonable approach

to resolving issues within the workers' compensation system.

AB 338 now resolves a problem in current law relating to the 104-week cap on temporary disability benefits by amending the "window" in which injured workers are eligible for benefits. The CalChamber believes that AB 338 represents a balanced approach to resolving a real and tangible problem in the workers' compensation system.

Before the amendments, AB 338 would have increased temporary disability costs in workers' compensation claims by increasing the number of weeks

See Negotiations: Page 24

CalChamber Names New Vice President of Media Relations/External Affairs



Denise Davis

The California Chamber of Commerce this week announced that Denise Davis has been named vice president of media relations and external affairs.

Davis will join the organization's executive team on September 24.

As vice president, Davis will serve as the CalChamber's chief liaison with the media and manage involvement on select issue advocacy and ballot measure campaigns.

"Effective communication with the public and policymakers is more important than ever as CalChamber works to protect jobs and the economy during a critical time in our state's history," said CalChamber President Allan Zarembek.

"Denise Davis brings a strong track record of successful, high-level communications and public policy experience to CalChamber. As we focus on a number of serious issues in the coming months and years, Denise Davis will be a well-spoken

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Labor Law Corner

No Right to Terminate Employees Solely for Sex Offender Registration



Sunny Lee
Senior Labor Law
Consultant

Can I terminate an employee for being on Megan's List?

In California, convicted sex offenders are required to register their place of residence and any changes they make for the rest of their life. This information is available to the public under a registry known as Megan's List.

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E-mail: alert@calchamber.com.
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Protections in Law

While the addresses are available, employers may not be able to use that information to terminate employment due to the protections granted under Penal Code Section 290.46.

The relevant portion quoted below prevents an employer from using that information for employment purposes:

(2) Except as authorized under paragraph (1) or any other provision of law, use of any information that is disclosed pursuant to this section for purposes relating to any of the following is prohibited:

(A) Health insurance.

(B) Insurance.

(C) Loans.

(D) Credit.

(E) Employment.

(F) Education, scholarships, or fellowships.

(G) Housing or accommodations.

(H) Benefits, privileges, or services provided by any business establishment.

Factors to Consider

Given this protection, it is essential that an employer evaluate the applicant or employee in light of the realities of the

workplace. Factors to consider include:

- the business that the employer is in, that is, child care or preschool;
- whether the employee may be working where children may be present, that is, service work performed in customer homes;
- whether the employee will be working independently or unsupervised;
- whether the employee will be in a trusted position such as security or maintenance.

For example, if an applicant was convicted of child molestation, a preschool would not be able to place that person in a position involving children. Likewise, an applicant applying for a janitorial or security guard position may pose a greater security risk if children are present.

In any difficult situation involving hire or termination decisions, consult your labor law attorney.

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.

Economic Advisory Council Special Report Available on CalChamber Website

The U.S. economy has continued to demonstrate resilience in the face of high energy prices and persistent housing market weakness, while California is underperforming the U.S. labor market, according to the latest quarterly report of the California Chamber of Commerce Economic Advisory Council.

In its third quarter report, the council noted that the education, health services and leisure and hospitality sectors are dominating job growth, while weakness in the construction, real estate and technology industries has left the state trailing the nation's labor market.

Although the falloff in home construction was large, it was substantially tamer than the decline in the prior four quarters.

However, the downturn in homebuilding appears to be re-accelerating in response to tighter lending standards, and the council cited continued problems in the housing market as a contributor to the broader economic slowdown.

The entire report is available at www.calchamber.com under *CalChamber Reports*.

**Next Alert:
October 5**



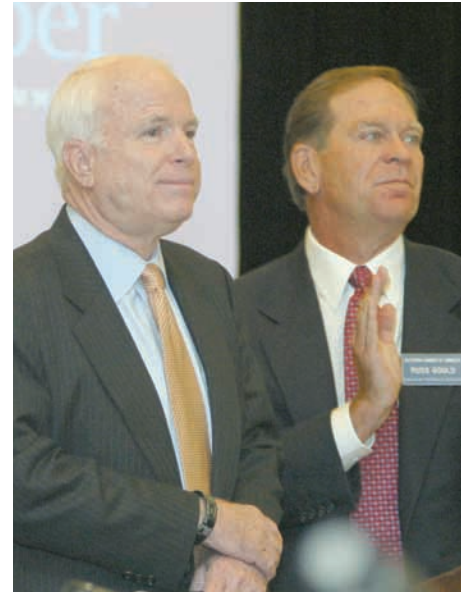
CalChamber Board Looks at Students, Teachers, Presidential Race



Jack O'Connell, state superintendent of public instruction, outlines his concern about the persistent achievement gap that test results are showing between African American or Latino students and Asian or white students at the recent dinner gathering of the California Chamber of Commerce Board of Directors.



Sherry Lansing, chief executive officer of The Sherry Lansing Foundation, invites members of the California Chamber Board of Directors to support an effort to encourage retiring professionals to take on second careers to fill the urgent need for qualified math, science and career tech teachers in California schools. A number of CalChamber Board members and CalChamber member companies are among the early supporters of the EnCorps Teachers Program, which is supported by Governor Arnold Schwarzenegger. For more information, visit the program website at www.encorpsteachers.org.



U.S. Senator John McCain (R-AZ), candidate for President of the United States, prepares to answer questions following remarks at the September 7 meeting of the California Chamber of Commerce Board of Directors, chaired by Russell Gould (right) of Wachovia Portfolio Services. McCain's remarks touched on topics ranging from immigration to the war in Iraq.

CalChamber Applauds Governor's Comprehensive Water Approach

The California Chamber of Commerce this week praised Governor Arnold Schwarzenegger's efforts to develop a comprehensive water plan.

The Governor's \$9 billion comprehensive water infrastructure proposal will be introduced in the legislative special session that he called in response to California's water crisis.

"The CalChamber applauds the Governor's efforts to solve California's long-neglected water crisis," said CalChamber President Allan Zaremberg. "The water system that contributed to California's emergence as one of the world's major economic powers is faltering. Existing facilities are barely able to meet current public demand."

Substantial Investment

"California's economy and environmental protections require a substantial investment in our water infrastructure. The Governor's leadership to enhance our

water supply and protect the Delta — the source of water for half of California — from earthquakes and other natural disasters is critical to California's future. A reliable source of safe drinking water will be in jeopardy if we don't adopt the Governor's proposal to add water supply and ensure water conveyance through the Delta," Zaremberg said.

The plan invests \$600 million from Propositions 50, 84 and 1E to immediately relieve pressure on the Delta from environmental challenges and to respond to a recent federal court ruling that will reduce water deliveries to Southern California. It also includes \$5.6 billion for water storage, nearly \$2 billion for Delta restoration (in addition to the above-mentioned \$600 million), \$1 billion in grants for conservation and regional water projects and \$500 million for specific water restoration projects.

Written in two bills authored by Assembly Republican Leader Michael

Villines (R-Fresno) and Senator Dave Cogdill (R-Modesto), the proposal represents a combination of ideas previously detailed in proposals by the Governor and legislative leaders.

Comprehensive Package Needed

"The Legislature owes Californians a comprehensive water package that invests in its future and finances infrastructure projects for surface and groundwater storage, water use efficiency, environmental restoration and water quality projects in the state," Zaremberg said.

"The CalChamber will continue to work with the Legislature, Governor Schwarzenegger and other interested parties to ensure that the state has sufficient facilities to capture, retain and convey the water needed to support California's growing population and economy. California can't afford to settle for anything less," he said.

Staff Contact: Valerie Nera

CalChamber Urging Veto of 'Job Killer' Proposals

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excluding any public review or input. The measure also creates conflicts and confusion with existing and proposed building codes.

● **AB 888 (Lieu; D-Torrance) Increased Construction Costs.** Makes it extremely difficult for small businesses to compete by establishing an arbitrary definition of "commercial." The bill also creates conflicts and confusion with existing and proposed building codes and establishes an isolated process by which a minimum level of "green building" standards are set by a private entity, thereby excluding any public review or input.

● **AB 1058 (Laird; D-Santa Cruz) Increased Construction Costs.** Adds significant costs to housing purchase as well as rental affordability by requiring the Department of Housing and Community Development to use the most stringent provisions of five sets of national "green building" guidelines as a basis for developing California's mandatory "green building" standards. The bill also causes confusion by establishing a multiple-state agency quasi-regulatory authority for developing "green building" standards.

Costly Workplace Mandates

● **AB 8 (Núñez; D-Los Angeles) Health Care Tax on Employers.** 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.

● **AB 504 (Swanson; D-Oakland) Mandatory Payments for Striking Employees.** Forces employers to pay striking employees by creating a new definition of lockout that requires an employer to pay restitution to employees.

● **SB 180 (Migden; D-San Francisco) / SB 650 (Migden; D-San Francisco) Increased Agricultural Costs.** 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. SB 650 sunsets after five years.

● **SB 622 (Padilla; D-Pacoima) Independent Contractors.** Creates a

new excuse to sue employers and exposes them to excessive new penalties for "willful misclassification" of independent contractors without providing a clear roadmap for employers to comply.

● **SB 936 (Perata; D-Oakland) Roll Back of Cost-Saving Workers' Compensation Reforms.**

Increases the cost of hiring and keeping employees by rolling back historic reforms and doubling permanent disability costs in California's workers' compensation system.

● **SB 942 (Migden; D-San Francisco) Increased Workers' Compensation Costs.**

Alters the rules for return-to-work and the provision of Supplemental Job Displacement Voucher benefits in workers' compensation to require that employers provide the injured worker with a job voucher before they know the amount of the benefit that is due to the injured worker, and provides no avenue to recoup costs if the benefit provided was more than that to which the injured worker was actually entitled.

Fuel Price Increases

● **SB 210 (Kehoe; D-San Diego) Restrictive Fuel Standard.** 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.

Inflated Liability Costs

● **SB 93 (Corbett; D-San Leandro) Inflated Liability Costs.** Artificially inflates medical damage awards in third party liability cases by not allowing judges to consider the actual cost of medical expenses as evidence, ultimately increasing, not only legal costs, but also rates for auto and general liability insurance.

Amended

● **AB 5 (Wolk; D-Davis) Housing Development Restrictions.** Following amendments, the CalChamber is **neutral** on this former "job killer."

● **AB 70 (Jones; D-Sacramento) Housing Development Restrictions.** No longer a "job killer," but still **opposed** by

the CalChamber, the bill slows development of housing. The CalChamber is asking the Governor to veto this bill.

Stopped for Now

Further action has been delayed until next year on bills that increase employer liability exposure - **AB 437 (Jones; D-Sacramento)**; legislate a new fuel mandate - **SB 140 (Kehoe; D-San Diego)** and tax freight movement - **SB 974 (Lowenthal; D-Long Beach).**

For more information on the "job killers," see the status report on major bills in this issue or visit www.calchamber.com/jobkillers.

[calchamber.com/jobkillers](http://www.calchamber.com/jobkillers).

Action Needed

Write Governor Arnold Schwarzenegger and urge him to **veto** the "job killers." For easy-to-use sample letters, visit www.calchambervotes.com.
Staff Contact: Dominic DiMare

New Vice President

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advocate for California's employers and our business climate."

Davis has more than 20 years of experience in communications, media relations, government, litigation and public policy. She previously worked as Governor Arnold Schwarzenegger's chief deputy communications director and served three California attorneys general as a spokesperson and victim advocate.

Most recently, Davis was senior vice president of Randle Communications, a public relations and public affairs firm, and was a vice president of APCO Worldwide. She also served as the national media director for the Pacific Legal Foundation, a major non-profit legal organization.

Davis earned her bachelor's degree in communications from the University of California, Davis.

Staff Contact: Jeanne Cain

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 September 12, when the Legislature adjourned its regular session.

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

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 began 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 September 12, 2007, when the Legislature adjourned its regular session. Dates listed are the latest date of committee action or when the bill reached the floor, unless action is stated. Key to status descriptions on Page 21.

Subject and Bill — CalChamber Position	Status
Agriculture and Natural Resources	
Leafy Green Vegetable Cost Increases. 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/ Job Killer .	Held in Assembly Agriculture 6/27/07
Increased Costs for Timber and Wood Products. 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/ Job Killer .	Held in Senate Appropriations 5/31/07
Crop Traceback. 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
Leafy Green Vegetable Licensing. 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
Stormwater Permit Requirements. 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.	Senate Natural Resources & Water 8/21/07
Land Use: Williamson Act Contracts. SB 634 (Wiggins; D-Santa Rosa) originally abrogated private property rights by requiring landowners to give notice and get permission from local government to subdivide land or build any structures or roads on property under Williamson Act contracts. Gutted and amended to deal with olive oil. No Position.	Assembly Agriculture 9/7/07
Livestock Transport. SB 773 (Wiggins; D-Santa Rosa) reduces costs to transport livestock by allowing longer truck trailer vehicles on certain portions of Highway 101. Support.	To Governor
Coastal Development. 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

Subject and Bill — CalChamber Position	Status
Agriculture: Freeze Losses. 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.	Chapter 117
Liability: Genetically Engineered Plants. 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
Wildlife Conservation. 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.	To Governor
Climate Change	
New Fuel Mandate. 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/ Job Killer.	Assembly Third Reading 9/6/07
Restrictive Fuel Standard. 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/ Job Killer.	To Governor
New Vehicle Surcharge. 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/ Job Killer.	Failed passage in Assembly 6/6/07; Reconsideration granted
Construction Costs Increase. 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/ Job Killer.	Held in Assembly Appropriations Suspense File 5/31/07
Vehicular Air Pollution Control: Clean Alternative Fuels. 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
State Air Resources Board: Plug-In Hybrid Electric Vehicles. AB 1077 (Lieber; D-Mountain View) creates the California Plug-in Hybrid Electric Vehicle Coordinating Council to identify the number of plug-in hybrid vehicles that could be reasonably added to the state fleet. No Position.	Held in Senate Appropriations Suspense File 8/30/07
Greenhouse Gases: Market-Based Compliance Mechanisms. 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
Greenhouse Gas Emissions. AB 1506 (Arambula; D-Fresno) helps industries reduce their carbon footprint by requiring the Business, Transportation, and Housing Agency to contract with a university to conduct a study on the most effective ways for the state to provide incentives for businesses to reduce greenhouse gas emissions. Support.	Senate Appropriations 8/20/07

Subject and Bill — CalChamber Position	Status
Corporate Governance	
Corporations: Distributions. 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
Education	
Pupils: Early Commitment to College Program. 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.	Assembly Appropriations Suspense File 8/30/07
Student Financial Aid: Cash for College Program. 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.	To Governor
Postsecondary Education: Task Force on State Workforce Needs: California Community Colleges Economic and Workforce Development Program. AB 365 (Portantino; D-La Cañada Flintridge) attempts to bring in line efficiency between postsecondary education and efforts to fill workforce development gaps. Support.	To Governor
Energy	
Renewable Energy Resources. 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.	Assembly Appropriations Suspense File 8/30/07
Renewable Energy. 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
State Energy Resources Conservation and Development Commission: Natural Gas. 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.	Held in Assembly Appropriations Suspense File 8/30/07
Public Utilities Commission. 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
Public Utilities: Regulation of Rates. 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
Solar Energy: Solar Water Heating and Efficiency Act of 2007. 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.	To Governor

Subject and Bill — CalChamber Position	Status
Environmental Regulation	
Food Packaging Cost Increase/Collection Mandate. 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/ Job Killer .	Assembly Inactive File 6/8/07
Plastic Packaging Ban. 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/ Job Killer .	Assembly Environmental Safety & Toxic Materials 5/17/07
Toxic Chemicals: Use Reduction. 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.	Senate Appropriations Suspense File 9/11/07
Environment: High Production Volume Chemical. 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
Children's Products: Phthalates. 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.	To Governor
Electronic Waste: Personal Computers. 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
PBDE: Prohibition. 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
Recycling Polystyrene: State Facilities. 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
Diacetyl. 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.	Assembly Inactive File 9/11/07
Hazardous Waste: Santa Susana Field Laboratory. 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.	To Governor
Chemicals of Concern. 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
State Air Resources Board: Air Districts: Mobile Non-Vehicular Regulations. 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

Subject and Bill — CalChamber Position	Status
Mercury-Added Thermostats: Collection Program. 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
California Toxic Release Inventory Program. 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.	To Governor
Fire Retardants: Toxic Effects. 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.	Failed passage in Senate 9/12/07; Reconsideration granted
Electronic Waste. AB 546 (Brownley; D-Santa Monica), before amendments, would have made 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. Neutral.	To Governor
Hazardous Waste: Electronic Devices. AB 48 (Saldaña; D-San Diego) increases the cost of consumer electronics by expanding the current e-waste laws. Oppose.	To Governor
Hazardous Materials: Business Plans. 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
Consumer Products: Content Information. 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
Hazardous Waste: Civil Penalty. 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.	To Governor
Hazardous Substances: Water Quality. AB 422 (Hancock; D-Berkeley) was amended to remove opposition by changing the requirement for corrective action taken in the event of an unauthorized release from an underground storage tank. Neutral.	To Governor
Discharge of Hazardous Substance, Sewage or Other Waste: Notification. 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.	To Governor
Energy Resources: Lighting Efficiency: Hazardous Waste. 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.	To Governor
Hazardous Materials: Administrative: Penalties: Liability. 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.	To Governor
Diesel Vehicles and Engines: Healthy Heart and Lung Act. 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.	To Governor

Subject and Bill — CalChamber Position	Status
Health	
Health Care Tax on Employers. 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/ Job Killer .	To Governor
Government-Run Health Care. SB 840 (Kuehl; D-Santa Monica) creates new government-run, multi-billion-dollar socialized health care system built from a yet-to-be-specified tax increase. Oppose/ Job Killer .	Assembly Appropriations 7/10/07
New Government Bureaucracy for Rate Regulation. AB 1554 (Jones; D-Sacramento) reduces health care choice, access and quality by creating additional bureaucracy to impose price controls on health insurance policies, while failing to address the major cost drivers of rising medical care costs. Oppose/ Job Killer .	Failed passage in Senate Health 7/11/07; Reconsideration granted
Mental Health Services. 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.	To Governor
Cost Shift. AB 1324 (De La Torre; D-South Gate) shifts more cost of the uninsured to employers by requiring health plans to pay for employee medical services when they are no longer covered by the plan. Oppose.	To Governor
Employer Coverage: Disclosure. 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.	To Governor
Health Savings Accounts. 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
Health Savings Accounts. 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
Income Tax Deduction for Medical Care. AB 1040 (Duvall; R-Yorba Linda) provides a tax deduction to 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
Health Savings Account: Employer Tax Credit. AB 85 (Nakanishi; R-Lodi) provides a tax credit to employers for contributing to employee health savings accounts. Support.	Held in Assembly Revenue & Taxation Suspense File 5/21/07
Health Savings Account: Employer Tax Credit. 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
Employee Fitness Tax Credit. 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
Medi-Cal Reimbursement Rates. 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

Subject and Bill — CalChamber Position	Status
Cafeteria Plans: Tax Credit. 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
Health Care Tax on Employers. 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/ Former Job Killer .	Held in Assembly Appropriations Suspense File 8/30/07
Housing and Land Use	
Increased Construction Costs. AB 888 (Lieu; D-Torrance) makes it extremely difficult for small businesses to compete by establishing an arbitrary definition of "commercial." The bill also creates conflicts and confusion with existing and proposed building codes and establishes an isolated process by which a minimum level of "green building" standards are set by a private entity, thereby excluding any public review or input. Oppose/ Job Killer .	To Governor
Increased Construction Costs. AB 1058 (Laird; D-Santa Cruz) adds significant costs to housing purchase as well as rental affordability by requiring the Department of Housing and Community Development to use the most stringent provisions of five sets of national "green building" guidelines as a basis for developing California's mandatory "green building" standards. The bill also causes confusion by establishing a multiple-state agency quasi-regulatory authority for developing "green building" standards. Oppose/ Job Killer .	To Governor
Increased Construction Costs. AB 35 (Ruskin; D-Redwood City) establishes an isolated process by which a minimum level of "green building" standards are set by a private entity, thereby excluding any public review or input. The measure also creates conflicts and confusion with existing and proposed building codes. Oppose/ Job Killer .	To Governor
Rental Property: Owner Restrictions. 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/ Job Killer .	Senate Inactive File 6/7/07
Industrial Safety and Health	
Workplace Safety and Health: Diacetyl. 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.	Passed Senate 9/11/07; Motion to reconsider granted
Occupational Safety and Health. 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.	Held in Senate 9/7/07
Indoor Heat Regulations. 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.	To Governor

Subject and Bill — CalChamber Position	Status
International Trade	
<p>*Trade Promotion Authority. 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>*U.S.-Peru Free Trade Agreement. 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>*U.S.-Colombian Free Trade Agreement. 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>*U.S.-Panama Free Trade Agreement. 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>*U.S.-Korea Free Trade Agreement. 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>
Labor and Employment	
<p>Independent Contractors. 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 a clear roadmap for employers to comply. Oppose/Job Killer.</p>	<p>To Governor</p>
<p>Mandatory Payments for Striking Employees. 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/Job Killer.</p>	<p>To Governor</p>
<p>Increased Agricultural Costs. SB 180 (Migden; D-San Francisco)/SB 650 (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. SB 650 sunsets after five years. Oppose/Job Killer.</p>	<p>To Governor</p>
<p>Increased Health Care Costs. 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/Job Killer.</p>	<p>Held in Assembly Appropriations Suspense File 5/31/07</p>
<p>Meal and Rest Periods. AB 1711 (Levine; D-Van Nuys) is an 11th-hour gut-and-amend that continues to leave employers and employees without clarity and flexibility in providing meal periods. Oppose.</p>	<p>Senate Rules 9/10/07</p>
<p>4-Day Workweek. 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 & Employment 4/18/07; Reconsideration granted</p>
<p>Family and Medical Leave. 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>To Governor</p>

Subject and Bill — CalChamber Position	Status
Personnel Records. 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.	To Governor
Plain Language Workplace Posters. 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
Wage Discrimination. AB 435 (Brownley; D-Santa Monica) increases employer exposure to untimely lawsuits and imposes unwarranted and unreasonable requirements for maintaining all wage-and-hour paperwork. Oppose.	To Governor
Bereavement Leave. SB 549 (Corbett; D-San Leandro) unreasonably expands employer's liability for a new protected bereavement leave for employees. Oppose.	To Governor
Familial Status. 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.	To Governor
Public Works: Prevailing Wage Payments: Payroll Records. 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
Labor Contractors. 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 names and addresses of up to five of the persons who contracted with the farm labor contractor. Oppose.	To Governor
Employment Rights. 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
Legal Protection and Reform	
Increased Employer Liability Exposure. 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/ Job Killer .	Assembly Inactive File 9/12/07
Inflated Liability Costs. SB 93 (Corbett; D-San Leandro) artificially inflates medical damage awards in third party liability cases by not allowing judges to consider the actual cost of medical expenses as evidence, ultimately increasing, not only legal costs, but also rates for auto and general liability insurance. Oppose/ Job Killer .	To Governor
Joinder: Representative Actions. 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
Disability Access Law Compliance. 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
Retail Sales: Rebates. AB 1673 (Feuer; D-Los Angeles) harms consumers by discouraging retailers from offering manufacturers' rebates. Oppose.	To Governor

Subject and Bill — CalChamber Position	Status
Exemplary Damages. 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
Employment Contracts. 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.	To Governor
Compensation Recovery Actions: Liquidated Damages. 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.	To Governor
Unfair Competition: Actions by City Attorneys. 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
State of Emergency: Immunity from Liability. 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
Other	
Tribal Gaming: Compact Ratification. AB 266 (Calderon; D-Montebello) provides a steady revenue source for the state by ratifying a compact agreement. Support.	Introduced 2/5/07
Tribal Gaming: Compact Ratification. SB 174 (Ducheny; D-San Diego) provides a steady revenue source for the state by ratifying a compact agreement. Support.	Chapter 38
Political Affairs	
Political Reform Act of 1974: California Clean Money and Fair Elections Act of 2007. 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
Political Reform Act of 1974: Contribution Limits. 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.	To Governor
Privacy and Confidentiality	
Personal Information: State Agencies and Businesses. 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.	To Governor
Privacy: Radio Frequency Identification Tags. SB 388 (Corbett; D-San Leandro) compromises new technology's security features by requiring public notification of its existence and use. Oppose.	Assembly Inactive File 9/10/07
Personal Information: Prohibited Practices. 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
Contracts: Translation. 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.	Senate Third Reading 9/7/07

Subject and Bill — CalChamber Position	Status
Identity Information Protection Act of 2007. SB 30 (Simitian; D-Palo Alto) stifles new and innovative technologies by severely restricting government's ability to freely incorporate their uses. Oppose.	Assembly Inactive File 9/5/07
Internet Transactions: Verification: Banking and Financial Services. 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
Public Employees Retirement System	
Public Retirement Systems: Investments: Terrorism. 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
Taxation	
Tax on Freight Movement. 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/ Job Killer .	Assembly Inactive File 9/10/07
Single-Payer Health Care Coverage Tax. 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
Business Investment Incentive and Tax Relief. 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
Tax Increase: Restriction of Taxpayer Remedies. AB 1546 (Calderon; D-Montebello) violates fundamental taxpayer rights by restricting taxpayer remedies in court challenges of unconstitutionally discriminatory personal or corporate tax laws and encourages the Legislature's continued passage of unconstitutional tax laws. Oppose.	Assembly Inactive File 9/11/07
Business Investment Incentives. SB 98 (Senate Budget and Fiscal Review Committee) 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) improving the research and development credit for all industries; 3) providing investment incentives to the motion picture industry; and 4) reducing the tax burden on multistate and multinational companies that locate and expand jobs and operations within the state. Support.	To Senate 9/11/07
Corporation Tax Law: Allocation and Apportionment. 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
Research and Development Credit. 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

Subject and Bill — CalChamber Position	Status
Research and Development Credit. 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
Clean Technology Research and Development Credit. 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
California Cleantech Advantage Act of 2008. 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
Manufacturing Equipment Purchases. 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
Tobacco Tax. 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
Cigarette Tax. SCA 13 (Torlakson; D-Antioch) creates a new excessive tax on cigarette distribution. Oppose.	Senate Revenue & Taxation 6/14/07
Income and Corporation Taxes: Rate Reduction. 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
Voter Approval of Tax Increases. 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
Corporation Tax Law: Water's-Edge: Administration. 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.	To Governor
Net Operating Losses. 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
Enterprise Zones: Manufacturing Equipment Credits. 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
Research and Development Equipment. 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
Telecommunications Equipment. 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
Corporation Taxes: Deductions: Interest Expense. AB 1618 (Feuer; D-Los Angeles) increases taxes by making overly broad revisions to the rules for interest expense deductions. Oppose.	To Governor

Subject and Bill — CalChamber Position	Status
Limited Liability Companies: Restriction of Taxpayer Remedies. AB 198 (Assembly Budget Committee) violates taxpayer rights by retroactively restricting taxpayer remedies in pending court litigation challenging the constitutionality of the limited liability company tax and sets a dangerous precedent for taxpayer challenges of other tax laws and the Legislature's continued passage of unconstitutional tax laws. Oppose.	To Governor
Limited Liability Companies: Restriction of Taxpayer Remedies. SB 749 (Oropeza; D-Long Beach) retroactively to 2001 changes the current LLC tax statute in order to restrict taxpayer remedies in pending court litigation challenging its constitutionality. Oppose.	Senate Revenue & Taxation 5/7/07
Tax Penalty Increase. AB 843 (Eng; D-Monterey Park) imposes an unwarranted penalty increase from \$2,500 to \$10,000 for mere unintentional failures of business taxpayers to provide change of ownership forms or information. Oppose.	To Governor
Minimum Annual Tax Reduction. 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
Disaster Relief. 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.	To Governor
Freeze Relief. SB 148 (Hollingsworth; R-Murrieta) provides property tax relief for tree farmers impacted by the January 2007 freeze. Support.	Held in Assembly Appropriations Suspense File 8/30/07
Freeze Relief: Wages. 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
Freeze Relief: Newly Planted Trees. AB 297 (Maze; R-Visalia) provides property tax relief for tree farmers impacted by the January 2007 freeze. Support.	To Governor
Clean Marine Fuels Tax Incentive Act. 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
Green Vehicles Credit. SB 810 (Corbett; D-San Leandro) encourages investments in and manufacturing of clean vehicles in California. Support.	Senate Revenue & Taxation 5/9/07
Environmental Building Expenses Credit. SB 794 (Maldonado; R-Santa Maria) creates a corporate and income tax credit for environmental building. Support.	Senate Revenue & Taxation 5/9/07
Enterprise Zones: Environmental Impact Reports. 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.	To Governor
Tax Amnesty Program. 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
Capital Investment Incentive Program. SB 360 (Negrete McLeod; D-Chino) eliminates investment incentive on basis that it is not used. Oppose.	Assembly Local Government 5/24/07
Tax-Exempt Organizations: Administration. AB 897 (Houston; R-San Ramon) streamlines the tax filing process for non-profit corporations. Support.	To Governor

Subject and Bill — CalChamber Position	Status
Improvement Districts. AB 1208 (Silva; R-Huntington Beach) helps business property owners by clarifying property and business improvement district laws. Support.	Chapter 114
Franchise Tax Board Administration: Notice of Proposed Deficiency. AB 1360 (Anderson; R-La Mesa) requires Franchise Tax Board to postmark notices of proposed deficiency. Support.	To Governor
Alcoholic Beverage Tax. 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
Recording Fees: Contra Costa and San Mateo Counties. 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
Motor Vehicle Tax. AB 878 (Davis; D-Los Angeles) imposes a motor vehicle tax disguised as a fee in order to fund motor vehicle theft enforcement. Oppose.	To Governor
Telecommunications	
Billing: Mobile Telephony Service. 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
Mobile Telephony Services: Handsets. 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
Transportation	
Growth Restrictions. 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/ Job Killer.	Assembly Appropriations 9/12/07
State Highway System: Construction Inspections. 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
State Parks Roads. 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
Design-Build Contracting. 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
Design-Build Demonstration Program. 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

Subject and Bill — CalChamber Position	Status
San Bernardino Design-Build Project. 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
Riverside County Design-Build Contracts. 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
Water Supply and Quality	
Housing Development Restrictions. AB 5 (Wolk; D-Davis) renames the Reclamation Board and prohibits the Department of Water Resources from overturning a board action. Authorizes the board to acquire land for flood protection. Changes the board membership and requires it to produce a flood control system status report. Amended to remove CalChamber opposition. Neutral/ Former Job Killer.	To Governor
Housing Development Restrictions. AB 70 (Jones; D-Sacramento) slows development of housing by imposing joint liability on cities and counties for any flood damage, if they unreasonably permit housing in undeveloped areas that are protected by a state flood control project. Oppose/ Former Job Killer.	To Governor
Central Valley Flood Protection. 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.	Senate Rules 8/28/07
Water Bond. 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
Land Use Planning; Flood Control. 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
Vended Water. SB 220 (Corbett; D-San Leandro) increases costs to bottled water industry by requiring additional information on bottles. Oppose.	To Governor
Bottled Drinking Water. AB 1521 (Salas; D-Chula Vista) increases costs to bottled water industry by requiring additional information on bottles. Oppose.	To Governor
Regional Water Quality Control Boards: Membership. 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.	To Governor
Water Replenishment Districts. 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.	Held in Senate Appropriations Suspense File 8/30/07

Subject and Bill — CalChamber Position	Status
Workers' Compensation	
Roll Back of Cost-Saving Workers' Compensation Reforms. 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/ Job Killer .	To Governor
Increased Workers' Compensation Costs. SB 942 (Migden; D-San Francisco) alters the rules for return-to-work and the provision of Supplemental Job Displacement Voucher benefits in workers' compensation to require that employers provide the injured worker with a job voucher before they know the amount of the benefit that is due to the injured worker, and provides no avenue to recoup costs if the benefit provided was more than that to which the injured worker was actually entitled. Oppose/ Job Killer .	To Governor
Temporary Disability Benefits. AB 338 (Coto; D-San Jose), as amended to bring CalChamber in support, resolves a problem in current law in a way that maintains the cost savings created by the 2004 reforms (SB 899 - Poochigian; R-Fresno) by maintaining the current 104-week cap on temporary disability benefits, while allowing injured workers to receive those benefits within five years from the date of injury. Support/ Former Job Killer .	To Governor
Permanent Disability Benefit Increase. AB 1212 (Núñez; D-Los Angeles) originally increased workers' compensation costs by requiring the Division of Workers' Compensation to promulgate regulations to increase permanent disability benefits by January 1, 2009. Gutted and amended in the final days of the session to deal with a tribal gaming compact. No Position.	To Governor
Supplemental Job Displacement Benefits. 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.	To Governor
Medical Treatment Utilization Schedule. AB 1073 (Nava; D-Santa Barbara) increases workers' compensation costs by altering the caps on physical therapy, occupational therapy and chiropractic care. Oppose.	To Governor
Inpatient Burn Diagnoses: Reimbursement Review. 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.	To Governor
Expanded Eligibility. 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.	Held in Senate Appropriations Suspense File 8/30/07
Audits. 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.	To Governor
Insurance. 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.	To Governor
Public Safety Personnel: Presumption: MRSA Skin Infections. 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
Medical Treatment Utilization Review. AB 644 (Dymally; D-Compton) increases workers' compensation costs by changing the rules for utilization review processes. Oppose.	Assembly Insurance 4/25/07

Subject and Bill — CalChamber Position	Status
Medical Treatment. 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
Temporary Disability: Public Safety Personnel. 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
Medical Treatment Utilization Schedule. 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
Temporary Disability. 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
Family-Owned Farms: Workers' Compensation and Unemployment Insurance. SB 452 (Cogdill; R-Modesto) eases unnecessary financial burden on small, family-owned farms by excluding unpaid family members 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
Rating Organizations: Internet Web Sites. 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
State Compensation Insurance Fund. 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

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 this year. 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.

CalChamber Offers Look at India, Mexico

Trade Official Highlights Long-Term Potential in India

An international luncheon forum hosted by the California Chamber of Commerce on September 5 provided an opportunity to learn more about trade and investment opportunities in India from Ambassador Douglas A. Hartwick, assistant U.S. trade representative.

Among the more than 65 guests were California government officials and businesspeople from California, including representatives of agriculture, manufacturing and technology.

Hartwick commented that India offers U.S. businesses a lot of opportunities to succeed, especially since the late 1990s. Reforms in the 1990s included the simplification of the tax structure, abolishing import licenses and lowering tariffs. These reforms and more helped bring worldwide investment in India from \$100 million in 1990 to top \$11 billion in 2006.

The United States and India are the world's largest democracies and share a common interest in the free flow of commerce and resources.

The United States is India's leading trade and investment partner, Hartwick said. "We would like to double trade with

India by 2008 to \$60 billion per year. With the Indian economy growing at nine-plus percent per year, that is a lot of opportunity, that's a lot of potential trade and we need to be a part of that."

Opportunities for California

India is the 17th largest export market for California, which exported \$1.7 billion worth of goods to India in 2006.

The top four major items of export from California to India are: computers and electronic products, transportation equipment, manufactured goods and agricultural products. Computers and electronic products make up more than 30 percent of total California exports to India. California exports of these items grew from \$1.3 billion in 2005 to \$1.6 billion in 2006.

India offers California three strong areas to engage in: information technology, agriculture development and defense trade.

Trade Mission Postponed

Governor Arnold Schwarzenegger has postponed the trade mission to India until



Ambassador Douglas A. Hartwick

after the new year. Businesses interested in participating should check with the Business, Transportation and Housing Agency. Businesses that already have applied to participate will be notified via e-mail when a new date is selected.

Staff Contact: Susanne Stirling

Ambassador to Mexico Urges Building on Success of NAFTA

The solution to maximizing economic success between Mexico and the United States is building on the North American Free Trade Agreement (NAFTA), said His Excellency Arturo Sarukhan, Mexican Ambassador to the United States, at a California Chamber of Commerce international luncheon forum on September 12.

Among the 75 guests were government officials and businesspeople from California, including Lieutenant Governor John Garamendi and representatives from agriculture, manufacturing, technology and international relations.

Ambassador Sarukhan commented that "there are few relationships as strategic in nature as the relationship between Mexico and the United States."

Support for NAFTA

The ambassador lauded the success of

NAFTA, and said it is time to build upon that success.

"As a result of NAFTA, trade from Mexico to the United States tripled in 10 years," Sarukhan said. "Now we are the third-largest trading partner of the United States, and that speaks volumes about some of the challenges that we face as we compete with India and China and others on the world stage."

He said Mexico has become the largest market for California exports.

He also credited NAFTA with the resurgence of a middle class sector in Mexico, a piece of the economy he said had been missing since the 1970s.

"I think the fact that Mexico has had the ability to sustain macroeconomic stability, and for the first time re-create an urban, suburban, middle class, middle income sector, is one of the largest success

stories of NAFTA," he said.

NAFTA also made Mexico a much more open country to the world and led to the economic achievements of the avocado industry, Sarukhan said.

He said that avocados are one of the huge success stories of economic growth and job creation in Mexico, as well as of the opportunities that the free trade agreement opened up for the agricultural business in both countries to complement each other in its seasons and its produce.

"I think the solution is more NAFTA, not less NAFTA," Sarukhan said.

Mexican-U.S. Labor

Sarukhan also identified labor mobility as a key issue between the two nations.

"At the end of the day, comprehensive immigration reform in the United States

See Ambassador: Page 23

U.S.-Peru Trade Agreement Needs Support



The California Chamber of Commerce is urging its members to ask their representatives in Congress to **support** the U.S.-Peru Free Trade Agreement (FTA), which is expected to be voted on in early October.

Agreements like the proposed U.S.-Peru FTA ensure that the United States may continue to gain access to world markets, which will result in an improved economy and additional employment of Americans.

President Bush formally notified the U.S. Congress of his intent to sign the U.S.-Peru FTA in January 2006 in accordance with trade negotiating timelines.

In June 2006 the Peruvian Congress overwhelmingly approved the agreement by a vote of 79-14 with six abstentions.

Dynamic Peruvian Economy

Peru, approximately three times the size of California, is the third largest country in South America. Peru is the fifth most populous country in Latin America, and has an annual gross domestic product (GDP) of more than \$67 billion.

Peru's economy is one of the most dynamic in Latin America, showing particularly strong growth over the last three years. Recent economic expansion has been driven by construction, mining, investment, domestic demand and exports.

Total trade in 2006 between Peru and the United States was more than \$8 billion, with the United States exporting \$2.9 billion worth of goods to the nation. 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 represented in the country.

In 2006, California exported \$180 million to Peru, making it one of the state's 50 largest trading partners.

Action Needed

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. New multilateral, sectoral and regional trade agreements ensure that the United

Fly-In to Support U.S.-Peru Agreement

The U.S. Chamber of Commerce is inviting businesses to come to Washington, D.C. for a full day of advocacy activities on October 2 in support of the U.S.-Peru Free Trade Agreement. For more information, contact Kathleen McInerney, U.S. Chamber, (202) 463-5341, fax (202) 822-2461, e-mail: kmcinerney@uschamber.com.

States may continue to gain access to world markets, resulting in an improved economy and additional employment of Americans.

A U.S.-Peru FTA is a critical element of the U.S. strategy to liberalize trade through multilateral, regional and bilateral initiatives.

Staff Contact: Susanne Stirling

Ambassador to Mexico Urges Building on Success of NAFTA

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will have to start in Mexico. We will have to prove that we have the ability to generate the well-paying jobs and economic growth so that 400,000 Mexicans a year do not have to cross the border in search of a better life."

He said Mexico could not plot out a route to economic prosperity if it loses much of its talented workforce to the United States.

Mexican demographics are changing dramatically, he said, and in coming decades, "there simply won't be enough Mexicans to pump the Mexican economy and at the same time to cross the borders and help the vineyards and the orchards of America."

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

Staff Contact: Susanne Stirling



His Excellency Arturo Sarukhan

Negotiations Turn Former ‘Job Killer’ into Workers’ Comp Solution

From Page 1

benefits can be paid and by creating a disincentive to use utilization review to enforce medical treatment guidelines.

Fix to Current Law

Due to an unintended interpretation of current law, the 104-week cap serves as a disincentive to return to work and may financially harm legitimately injured workers.

The interpretation is that the current cap creates a 104-week window in which injured workers are eligible for temporary disability benefits. Under this interpretation, an injured worker could return to work after even one day of payable temporary disability and that injured worker’s eligibility to receive benefits under the cap would continue to decrease.

AB 338 instead states that an injured

worker is eligible to receive 104 weeks of temporary disability within five years of the date of injury.

The solution under AB 338 promotes return to work in an equitable way by allowing 104 weeks of aggregate benefits within five years of the date of injury. This gives injured workers adequate time to obtain needed treatment, including surgery, and return to work after recovery.

However, this approach maintains the 104-week cap that has proven to be vitally important in speeding the claims process and improving return-to-work rates.

AB 338 also addresses an issue presented by *Valeri Hawkins v. Amberwood Products and SCIF*, a recent court case that would result in an employer owing more than 104 weeks of temporary disability payments under some circumstances. In this case the court found that

the 104-week cap applied only to benefits after the date the first payment was made.

This case could provide a disincentive to contest questionable claims — if an employer contests a claim and the issue is not adjudicated for one year, the employer would be liable for a full year of temporary disability outside of the 104-week cap.

AB 338 would reverse the judicial weakening of the cap and make it so employers are not punished for contesting questionable claims.

Action Needed

The CalChamber is urging employers to ask Governor Schwarzenegger to **sign AB 338**.

For a sample letter, visit www.calchambervotes.com.

Staff Contact: Jason Schmelzer

ADDRESS SERVICE REQUESTED

Helping California Business Do BusinessSM

CALIFORNIA CHAMBER OF COMMERCE
P.O. BOX 1736 SACRAMENTO, CA 95812-1736
(916) 444-6670 FACSIMILE (916) 444-6685
www.calchamber.com

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