CalChamber Grassroots Site Logs Busy, Successful Year

In its first full year of operation, the California Chamber of Commerce grassroots web page has helped tens of thousands of pro-jobs advocates make their views known to legislators.

More than 35,000 individuals visited www.calchambervotes.com, sending more than 56,000 letters.

Three-fourths of the letters (more than 43,000) dealt with CalChamber-opposed “job killer” bills. Ultimately, no “job killer” bill became law this year. The Governor vetoed all 12 “job killer” bills that the Legislature passed. Other “job killers” were amended to remove CalChamber opposition, or were defeated or stalled.

One of the highest-volume letter-writing campaigns was in support of the CalChamber-sponsored four-day flex workweek bill, AB 510 (Benoit; R-Bermuda Dunes).

Business people also used the website to craft letters in support of plain language posters and solutions to workers’ compensation issues.

See CalChamber: Page 4

CalChamber in Court

U.S. High Court Grants Review of Anti-Employer State Law

Employers challenging a state law infringing upon their free speech rights scored a major victory last week when the U.S. Supreme Court granted their petition for certiorari in Chamber of Commerce v. Brown.

The case challenges the mandates of AB 1889 (Cedillo; D-Los Angeles), legislation signed into law in 2000 by former Governor Gray Davis that forbids private employers who receive state funds in excess of $10,000 from engaging in any activity or communications to assist, promote or deter union organizing, unless the employer can prove that the money used for such activity did not come from the state.

CalChamber Backs Review

The California Chamber of Commerce joined the U.S. Chamber of Commerce and other business groups in urging the U.S. high court to review the case based on the fact that federal law pre-empts AB 1889.

The challenge gained another ally in late October when the U.S. solicitor general filed a brief urging the U.S. Supreme Court to hear the case. The U.S. solicitor general argued that AB 1889 is contrary to two decisions that the federal National

See U.S.: Page 4

CalChamber Committees Need You!

The California Chamber of Commerce is encouraging members with an interest in the state’s future to consider joining a CalChamber policy committee.

The principles that guide CalChamber policy advocates grow out of the work of the member volunteers on CalChamber standing and ad hoc committees.

In presenting the business perspective to state policymakers, the CalChamber relies on members to tell us about the real world impact of legislative and regulatory proposals.

Each committee focuses on a subject (or related subjects) of concern to business. Current CalChamber policy committees cover issues such as health care policy, labor and employment, international trade, legal reform and protection, small business, taxation, transportation and infrastructure, and workers’ compensation.

When issues arise that fall outside the realm of standing committees, the CalChamber forms ad hoc groups to review and recommend policies in the new area.

To join a committee, contact Deanna Tibbett at (916) 444-6670 or submit an online form at www.calchamber.com/getinvolved.
Labor Law Corner

New Law to Prohibit Social Security Numbers on Paycheck Stubs

An employee is telling me that we can no longer list his Social Security number on his check stub. Is this employee correct? We’ve always done this.

The law is changing on January 1, 2008. Employers will be required to list only the last four numbers of an employee’s Social Security number, or as an alternative, the employer may list an employee identification number that is not the employee’s Social Security number.

Employee ID

Labor Code Section 226 requires private employers to furnish an employee with an itemized wage statement showing nine specific items, one of which has been the Social Security number.

As of January 1, 2008, the employee will be identified by name and by either the last four numbers of the Social Security number or an identification number that identifies the particular employee.

Although the entire Labor Code Section 226 does not apply to governmental entities, the section specifically requires governmental employers to comply with the four-digit Social Security number rule or provide an employee identification number.

The Legislature recognized that the change might not be so simple in terms of reprogramming payroll computer programs. Therefore, the language was added to the Labor Code in 2005, but employers were given time to correct their payroll systems in preparation for the January 1, 2008 deadline.

Identity Theft Protection

Identity theft concerns prompted the Legislature to make this change in the law. The unauthorized use of Social Security numbers is a common way for criminals to gain access to personal and financial information. This simple change offers added protection to employees and will help stem identity theft crimes.

This change also would apply to any electronic wage statements issued to employees.

Some questions have arisen regarding the Social Security number appearing on the paycheck itself. This section speaks to the itemized statement accompanying a paycheck. Considering the privacy and identity theft concerns that lie behind the change in the law, however, it would be wise to remove the full Social Security number from the paycheck.

Employers who knowingly and intentionally violate the provisions of Labor Code Section 226 could be subject to both misdemeanor charges and civil penalties.

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.hr-california.com.

Seminars/Trade Shows

Labor Law
HR 101: Labor Law Update.
HR 201: Labor Law Update.

CalChamber Calendar

Fundraising Committee:
December 6, San Francisco

Board of Directors:
December 6-7, San Francisco

International Breakfast Roundtable:
December 7, San Francisco

Annual Meeting:
December 7, San Francisco

Ad Hoc Climate Change Policy Committee:
December 7, San Francisco

International Luncheon Forum with Canadian Ambassador Michael Wilson:
December 13, Sacramento

Next Alert:
December 14
California-Japan Trade Relationship in Spotlight at Annual Business Gathering

The ever-changing business environment in California and the importance of the state’s trade with Japan received a close look recently when California Chamber of Commerce President Allan Zaremberg addressed the 14th annual gathering of the Japan Business Association of Southern California (JBA).

More than 150 guests — Japanese and American business executives who work for Japanese-affiliated companies — greeted Zaremberg and Assemblyman Chuck DeVore (R-Irvine) at the November 15 forum.

Both speakers discussed critical issues for doing business in California and the vital contribution Japanese companies make in California’s economy. Zaremberg gave a recap of state policy activity on education, health care and water.

Trade Statistics

In 2006, U.S. exports to Japan grew to $59 billion, with imports from Japan to the United States growing to $148 billion. Foreign direct investment from the United States to Japan totaled $78 billion in 2004, largely in financial, software and Internet services.

California exports to Japan, the world’s third largest economy, increased to total $13.9 billion in 2006. Computers and electronic products accounted for 28 percent of total exports.

JBA is a California non-profit mutual benefit corporation, comprised of approximately 450 Japanese companies engaged in diverse business activities throughout Southern California. The group represents the interests of its members by enhancing the stature of Japanese contributions to local communities and improving the business environment for its members.

Trading Partner Portal

Launching the week of the JBA forum was the CalChamber web portal for Japan. The portal is one of a new series of online international portals featuring California’s top trading partners.

The new Japan portal features key country contacts, including business resources and cultural and educational references. Also available for easy reference are trade statistics, as well as information on foreign direct investment in California. The new page also highlights California’s 2004 trade mission to Japan.

The trading partner portal for Japan can be found in the international section of the CalChamber website at www.calchamber.com/international.

Staff Contact: Susanne Stirling
CalChamber Grassroots Site Logs Busy, Successful Year

From Page 1
A 60-day program with selected local chambers of commerce generated more than 5,000 letters to legislators on a variety of priority business bills.

Business Creates Jobs
Whatever the topic, the letters from businesspeople serve to remind state policymakers of the important role of employers in the state’s economy.
“Government doesn’t create jobs; the private sector does,” Assemblywoman Cathleen Galgiani (D-Stockton) wrote in a newsletter column. “If we are going to keep businesses profitable in California, we need to be mindful that we do not allow the regulatory community to pile on overly burdensome regulation. The state’s role is to create an environment that encourages businesses to expand, make new investments and foster much-needed job creation....
“When business prospers — California prospers.”

Looking Ahead
For the second year of the legislative session and beyond, the CalChamber grassroots program will continue to be California’s bipartisan business voice.

The program’s mission is to mobilize an effective and efficient group of business leaders willing to create more opportunities to present their views on public policy issues that affect their ability to do business, create jobs and be competitive in a global economy.

Using every communication tool available, the program seeks to alter the course of decisions by legislators, regulators and the Governor, and to keep CalChamber members abreast of the issues affecting the employer community.

“We will strive to organize and activate businesses throughout the state with the common goal of building a stronger California,” said grassroots coordinator Cathy Mesch.

Thank Your Legislators
Now that the regular legislative year has ended, an important task remaining for businesspeople is to thank legislators who have supported employers by casting pro-jobs votes.

Sample thank you letters to legislators who voted in accord with the CalChamber at least 40 percent of the time (see November 2 Alert) are available to personalize and send to your elected officials at www.calchambervotes.com.

Staff Contact: Cathy Mesch

CalChamber in Court
U.S. Supreme Court Grants Review of Anti-Employer California Law

From Page 1
Labor Relations Act (NLRA) pre-empts state law.

Prior court action in the challenge to AB 1889’s legality resulted in a three-judge panel of the 9th Circuit Court of Appeals agreeing with the CalChamber position. Subsequently, a review by the full 9th U.S. Circuit Court of Appeals overturned the earlier decision of the three-judge panel and led to the petition for hearing before the U.S. Supreme Court.

The high court is expected to hear arguments in March 2008 and issue a decision by late June.

Conflicts
In briefings to the high court, the solicitor general argues that AB 1889 conflicts with both a longstanding congressional intent to permit “robust debate” during union organizing drives, as well as the generally exclusive authority of the National Labor Relations Board to regulate employer speech during such campaigns.

The solicitor general also pointed out that there is a conflict between the 9th Circuit ruling and a recent decision of the 2nd U.S. Circuit Court of Appeals, which struck down portions of a New York law that is similar to AB 1889.

In addition, eight states have enacted laws prohibiting use of state funds to affect organizing campaigns, and five states are considering legislation based on the California provision, according to the solicitor general.

Staff Contact: Erika Frank
Air Board Considering Costly Regulation of Heavy-Duty Diesel Vehicles in State

The California Air Resources Board (CARB) is developing regulations that target heavy-duty diesel vehicles that are currently in service in California in an effort to meet federal requirements in a timely fashion.

The goal of the regulations is to reduce diesel particulate matter (PM) and oxides of nitrogen (NOx) in order to meet standards set forth under the federal Clean Air Act and the State Implementation Plan. CARB is expected to vote on the proposed regulations in the summer of 2008.

**Regulatory Strategy**

CARB has developed several strategies in an effort to meet the goals of the diesel risk reduction plan. These strategies include new clean engine requirements, cleaning up existing engines and the use of cleaner fuel.

The types of vehicles covered by the regulations would include diesel trucks over 14,000 pounds, concrete mixers, dump trucks, bucket/boom trucks, crane trucks, hay squeeze vehicles, tow trucks, fuel tank trucks, passenger buses and more. The regulations would apply to any person, business or government agency that operates one of these vehicles in the state.

Early drafts of the regulations contain two phases of implementation (see chart):

- The first phase requires that NOx and PM exhaust emissions be less than or equal to emissions from a 2004 model-year, heavy-duty diesel engine. This first phase has a tiered implementation date, depending on the engine model years in the vehicles seeking compliance, with the oldest engines having the earliest compliance dates.

- The second phase requires that NOx and PM exhaust emissions be less than or equal to a 2007 model-year, heavy-duty diesel engine. Phase two has the same tiered implementation model. Vehicle owners would be required to retire older vehicles, install cleaner engines or retrofit older vehicles if technology were available.

**Significant Impact**

The impact on the business community will be significant. Any business operating in California that owns any vehicle subject to these regulations will be required to comply on a tiered timeframe, depending on the age of the vehicle. The cost of compliance will depend on the age of the vehicles to be replaced or retrofitted, the cost of available technology and the size of the fleets that need to be in compliance.

Although the exact cost cannot be calculated, it will be very significant for any operation in California that has vehicles falling under the regulations. Complicating the situation is that some technology needed to comply with these regulations is not available, or not available in sufficient quantity to meet the demand created by these regulations.

**CalChamber Position**

The CalChamber believes that it is important to meet state and federal goals for improving California air quality in a timely fashion. However, the CalChamber does not support an overly aggressive implementation of new regulatory requirements that forces California businesses to make major investments in equipment that they already own and are using legally. Many California businesses have made major, long-term investments in vehicle fleets; regulatory action that could force them into replacing a relatively new fleet could be financially devastating. Any action by CARB should be fashioned in a way that allows long-term investments to be realized in order to prevent significant impact on the California economy.

**Coalition Forming**

The CalChamber is joining with other organizations to form a coalition focused on working with CARB to structure the regulation in a way that is not detrimental to California’s economy. For more information, contact Jason Schmelzer, policy advocate for the CalChamber.

**Staff Contact:** Jason Schmelzer
Sharing Housing Program Information One Way Employers Can Help

Sharing information among themselves and with employees about existing housing programs is a key way employers can help workers find housing, the California Chamber of Commerce suggested at a recent forum.

Experts in economic development, housing and employer-assisted housing efforts gathered for the November 15 look at a business solution to the housing crisis in Orange County.

Lack of sufficient affordable housing has been an ongoing policy challenge in California even before the significant housing market downturn in California and much of the nation.

CalChamber policy advocate Kyla Christoffersen encouraged listeners at a session moderated by California Senator Tom Harman (R-Huntington Beach) to make maximum use of non-legislative housing solutions.

Existing Programs

A number of housing programs funded by taxpayer dollars are already in place, Christoffersen noted. Effective communication between companies, economic development organizations and housing and community development groups can help make sure these programs are being used to the fullest extent possible.

A number of companies provide housing assistance as one means of recruiting skilled employees. Those companies report that the assistance helps improve employee morale and retention.

Employers generally offer assistance with housing in conjunction with a local housing agency that provides incentives for employees to become homeowners.

The incentives vary with the program and can include features such as homeownership education, mortgage guarantees, discounted legal advice, help with down payments and closing costs, or other financial assistance.

Federal Legislation

Pending federal legislation —
S. 1078 (Clinton; D-N.Y.) and H.R. 1850 (Velázquez; D-N.Y.) — recognizes the role of the private sector in helping make housing more affordable for low- and moderate-income working families. The proposal includes:

- an employer tax credit of 50 percent of the cost of qualified housing expenditures for eligible low- and moderate-income employees. The tax credit is up to $10,000 or 6 percent of the employee’s home purchase price (whichever is less), and up to $2,000 for rental assistance (such as security deposits or rental payments).
- excluding from taxable income up to $10,000 in home ownership assistance and up to $2,000 of rental assistance an employee receives.
- a competitive grant program for non-profit housing organizations that provide help and outreach to employers who set up employer-assisted housing efforts.

Staff Contact: Kyla Christoffersen

Study Finds Women in Top Ranks at CalChamber Member Companies

Fourteen members of the California Chamber of Commerce have been named among the top 25 California companies with women directors and executives.

The October list was part of the UC Davis Study of California Women Business Leaders: A Census of Women Directors and Executive Officers, which reports the presence of women at the very top of the largest publicly held corporations headquartered in the state.

The top 25 list acknowledges companies having at least 25 percent of women directors and executives.

The following are CalChamber members listed in the top 25:

- Nara Bancorp Inc. Ranked 1. This parent company to Nara Bank boasts nearly half — 46 percent — of its leaders are women.
- Bare Escentuals, Inc. Ranked 2. This mineral makeup line has an executive team of which 45 percent are women.
- Bebe Stores Inc. Ranked 3. Women make up about 43 percent of the executive team for this women’s clothing store chain.
- Longs Drugs Stores Corp. Ranked 6 (tie). One-third of the company’s top officers are women.
- McClatchy Co. Ranked 8. The newspaper company and Internet publisher has five directors and three executive officers who are women, totaling 32 percent of its leadership team.
- McKesson Corp. Ranked 10. About 31 percent of this health care services company’s leaders are women.
- BRE Properties. Ranked 11. Thirty percent of this real estate company’s leaders are women.
- Gap, Inc. Ranked 12. The clothing chain has 30 percent of its directors who are female.
- Charles Schwab Corp. Ranked 13. This investment and financial services firm has four executive officers who are women, and 29 percent of its total leaders are female as well.
- AMN Healthcare Services Inc. and Pacific Sunwear of California (tie). Ranked 16. The medical staffing company and surfwear clothing chain both have leadership teams made up of about 27 percent women.
- Wells Fargo & Co. Ranked 19. The banking company shows 26 percent of its leaders are women, with four female directors and three female executive officers. President Laura A. Schulte is a CalChamber Board member.
- ABM Industries. Ranked 23. Twenty-six percent of this janitorial services company’s leaders are women.
- Hewlett Packard Co. Ranked 24 (tie). The technology company tied for spot 24 with 25 percent of its executive leaders being women.

This is the third year the study has been published by the UC Davis Graduate School of Management in partnership with the Forum for Women Entrepreneurs and Executives.
CalChamber Seminars Cover Basics, Update of State Labor/Employment Laws

California Chamber of Commerce employment law counsels will travel throughout the state in 2008, conducting seminars on human resources (HR), labor and employment laws, regulations and court decisions that will affect how companies do business.

Space is filling up fast for the HR 101: Intro to HR Admin seminar and HR 201: Labor Law Update seminar offered by CalBizCentral, the source for California business and human resource compliance products, presented by the CalChamber.

HR 101: Intro to HR Admin

This six-hour class covers the basics of HR and California labor law, as well as providing attendees a chance to ask questions in person of CalChamber experts.

This training is for anyone who needs to successfully manage HR duties within a company and remain compliant with current labor laws. It covers the material in the 2008 edition of the CalChamber’s best-selling HR Handbook for California Employers. A copy of HR Handbook for California Employers will be provided at the event to all seminar participants.

Topics

CalChamber employment law experts will discuss critical information on such HR topics as:

- hiring employees;
- providing benefits;
- compensation;
- leaves of absence;
- preventing discrimination and harassment.

Locations/Dates

HR 101 seminars will be held in the following cities:

- Irvine: Tuesday, January 8;
- San Diego: Thursday, January 10;
- Sacramento: Wednesday, January 23;
- San Jose: Wednesday, January 30;
- Sacramento: Tuesday, February 12.

HR 201: Labor Law Update

This seminar is designed for HR professionals or any employee responsible for HR duties. Each HR 201 seminar will cover new federal and California legislation and regulations, and important case law about which employers should be aware.

Although the California Legislature adopted relatively few new employment laws in 2007, regulatory agencies and courts at both the state and federal levels have been busily changing the way employers must do business.

Topics

HR 201: Labor Law Update will cover important changes in:

- meal and rest breaks;
- sexual harassment supervisor training regulations;
- military spouse leave;
- discrimination, retaliation and supervisor liability;
- calculating expense reimbursements;
- leaves of absence;
- compensation practices;
- hiring practices and employment eligibility; and
- cases to watch for in 2008.

Locations/Dates

HR 201 seminars will be held in the following cities:

- Glendale: Monday, January 7;
- Irvine: Wednesday, January 9;
- San Diego: Friday, January 11;
- Sacramento: Thursday, January 24;
- Emeryville: Tuesday, January 29;
- San Jose: Thursday, January 31;
- Sacramento: Wednesday, February 13.

Registration

Registration information for the seminars is available at CalBizCentral. Products are available for purchase by any business; CalChamber preferred and executive members receive a 20 percent discount.

For more information or to register for HR 101 or HR 201, call (800) 331-8877 or visit www.calbizcentral.com.

CalChamber Helps Decipher Rules for Paying Non-Exempt Employees

A mini-book to give managers an overview of the rules that apply to paying non-exempt employees is available now at CalBizCentral, the source for California business and human resource compliance products, presented by the California Chamber of Commerce.

Paying Non-Exempt Employees provides clear and easy-to-understand instructions for managers about the rules regarding meals, rest breaks, overtime and reporting time. This product also covers holiday pay, alternative workweeks, traveling and final paychecks. It is a perfect guide for anyone who manages employees.

The mini-book provides guidance for those who manage/supervise employees and spells out acceptable and unacceptable policies and procedures that can help businesses reduce risks and exposure to fines and litigation.

The benefits of the mini-book include:

- Helps managers follow complex guidelines and therefore limit penalties and excess pay;
- Makes laws that apply to employees easier to understand;
- Defines regulations clearly in plain language that is easily understood; and
- Provides clear instruction to help managers avoid legal liability and penalties.

Discount for Members

CalChamber preferred and executive members receive a 20 percent discount on products. To order, visit www.calbizcentral.com.
Successfully managing HR duties within a company is critical. Remaining compliant with current labor laws is crucial.

Attend HR 101: Intro to HR Admin and you will learn the HR basics, best practices and how to comply with California employment law. This six-hour class is ideal for HR beginners, those seeking a refresher and small business employers. Learn about:

- Hiring Employees
- Providing Benefits
- Compensation
- Leaves of Absence
- Preventing Discrimination
- Avoiding Harassment
- And more

You can also register for HR 201: Labor Law Update – where you will learn about the new employment laws, regulations and case studies for 2008 and the impact they will have on you and your business. Learn more about HR 201 at www.calbizcentral.com/HR201.

Register Now!
Seating Is Limited.
Irvine – 1/8/08
San Diego – 1/10/08
Sacramento – 1/23/08
San Jose – 1/30/08
Sacramento – 2/12/08
9 a.m. - 4 p.m.
Cost starting at $319.20

Special Offer! Register for any HR 101 by December 12 and receive a gift certificate for a free 1 lb. box of See's Candies. Use priority code HEH when ordering.

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