‘Job Creators’ Will Improve Job Climate, Help Recovery

The California Chamber of Commerce this week released its annual list of job creating legislation, bills that, if passed, will improve the state’s job climate and stimulate economic recovery.

“Our policy makers must focus on passing bills that will improve our job climate now,” said Allan Zaremberg, CalChamber president and chief executive officer. “These ‘job creator’ bills include solutions that will enhance our economy by significantly reducing costs to employers, providing balanced regulatory policies, reforming the legal climate, increasing construction jobs and encouraging investments.

“The Legislature should support tax credits that will immediately incentivize companies to hire and policies that will allow federal stimulus funds to go farther. If ever there was a time to pass legislation that will result in the immediate hiring of people, it is now.”

Job Creators

So far for 2009, 14 proposals have been identified as CalChamber “job creators,” although more may be added as See Job: Page 7

Governor Praises CalChamber Focus on Job Creation

CalChamber Urges Review of How Bills Affect Economy

In response to the release of the California Chamber of Commerce “job creator” list, Governor Arnold Schwarzenegger commended CalChamber while emphasizing the importance his administration places on jobs and the economy.

“In this economy it’s vital that we do everything we can to create jobs, and I commend the California Chamber of Commerce for shedding light on many of the bills in this year’s session that aim to do that,” the Governor said in a statement.

“My administration is reviewing the bills on the list as well as others that will help stimulate the economy and create jobs. It is imperative that we work together to quickly pass legislation that will reduce unnecessary litigation, spur job creation, and address California’s water infrastructure needs.”

The CalChamber is proposing that the Legislature create an “Economic Impact Committee” that would review all bills that pass policy committees to determine if a proposal has an impact on the economy and would cost jobs when California needs to be creating jobs, not increasing costs for employers.

Both the Assembly and Senate have Appropriations committees that review the fiscal impact of proposals on government and reject legislation that the government can’t afford.

The CalChamber believes legislators should be looking at organizing a similar committee to determine the fiscal impact of proposals on the private sector and reject any bills that our economy can’t afford.

Summit Breakouts: Political Networking, HR Guidelines

Afternoon breakout sessions at the California Chamber of Commerce Business Summit on May 18-19 in Sacramento will give attendees the option to learn about best practices or hear information updates to enhance their political or human resources activities.

“Leading the State and the Nation Through Challenging Times” is the theme for the day-long event in Sacramento, which is expected to attract business leaders from throughout the state. This is the 22nd anniversary for the Summit.

Featured speakers will include Governor Arnold Schwarzenegger, CalChamber Chair Frederick R. Ruiz, NBC News Political Director Chuck Todd and gubernatorial candidates Steve Poizner, California insurance commissioner, and Tom Campbell, former state director of finance, now visiting presidential fellow at Chapman University School of Law.

Breakout Sessions

• Legislative Advocacy Boot Camp 101: Bryan Merica, founder and partner of ID Media, will discuss how to use technology in building a grassroots network to gain access, influence and clout with legislators.

Inside

• Bill Guts Enterprise Zone Program: Page 3
Labor Law Corner

Issues to Consider When Customer Asks to Exclude Employee from Work

We have a customer who has requested that we exclude certain employees from work on their premises. Can we do this?

The answer to the question will depend on the reason(s) for exclusion. If the reason for the exclusion is based on unsatisfactory service, rudeness or other business necessities, then the employer may have the right to make personnel changes.

If however, the customer does not want to deal with employees of a particular race, sex, age, etc., then the employer needs to be mindful of unlawful employment discrimination.

What Laws Apply

In determining whether an employer should comply with a customer request regarding employee preference, the employer should consider whether the request constitutes a personal bias against an employee or class of employees protected by law.

For employment discrimination to be illegal, an employee must be part of a protected class, such as race, sex, age, religion.

The U.S. Equal Employment Opportunity Commission protects against employment discrimination based on race, sex, color, religion or national origin, physical and mental disabilities, and age. The California Department of Fair Employment and Housing also includes marital status, national origin, pregnancy and sexual orientation, medical condition (cancer/genetic characteristics), ancestry and denial of family medical leave or pregnancy leave.

Bona Fide Occupational Qualification

The law recognizes that an employer may have a business necessity for requiring what would otherwise be considered unlawful discrimination. In those rare situations, an employer can legally exclude certain protected individuals or groups of individuals from employment.

One of these recognized business necessity exceptions involves a direct threat to the health of the employee.

For example, a pregnant employee may be excluded from working with x-ray equipment or chemicals where it is medically found that such work could cause direct harm to her health or that of the unborn child.

Situations involving a direct threat to the health of others also may be excluded. A fire department may set physical fitness requirements—even though those requirements may discriminate against persons with disabilities—for the safety of the employee and others.

Mandatory retirement age requirements have not supported a business necessity in many cases where the employee is still able to perform the job. Personal preferences involving working with an employee of a particular race, color or age may result in employment discrimination claims and lawsuits.

Seek Legal Advice

The courts and federal and state enforcement agencies narrowly construe bona fide occupational qualifications and business necessity exceptions. Employers should consult with legal counsel before excluding employees in protected classes from customer work sites or jobs.

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.

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Yes on Props 1A-1F Launches Radio Ads

The Budget Reform Now Committee campaign has begun airing a radio ad to illustrate how important it is for voters to support Propositions 1A-1F.

The 60-second ad, titled “Bad News,” marks the launch of the committee’s advertising campaign that will extend through election day on May 19.

The California Chamber of Commerce supports Propositions 1A-1F, which provide an important framework for fiscal responsibility, including limiting spending and creation of a rainy day reserve while still ensuring education, transportation projects and other vital programs will be funded.

See Yes: Page 7
Bill Guts Enterprise Zone Program That Brings Jobs to Distressed Areas

A California Chamber of Commerce-opposed bill that in effect guts the California enterprise zone program is expected to be heard in an Assembly policy committee on April 29.

AB 1139 (J. Perez; D-Los Angeles) creates new conditions and requirements that will drastically reduce the number of businesses, particularly small businesses, that will be able to participate in the enterprise zone program.

As a condition of eligibility for the enterprise zone hiring credit, AB 1139 mandates that businesses provide health care coverage and full-time employment. AB 1139 also eliminates one of the primary ways that employees qualify for a hiring credit under the program, which is residency in a low-income, low-employment neighborhood, known as a “targeted employment area.”

In addition, the bill establishes impractical deadlines and regulations that severely limit the program’s effectiveness and make participation in the program burdensome and costly for businesses.

**Compounded Reductions**

The reductions proposed by AB 1139 would be on top of severe reductions already imposed on the enterprise zone program in the October 2008 budget. AB 1452 (Committee on Budget, Chapter 763, Statutes of 2008) placed a two-year limit on the ability of businesses to use all business tax credits, including enterprise zone credits, capping those credits at one-half of the taxpayer’s tax liability.

Although AB 1139 would further significantly reduce the enterprise zone tax credits, it has been designated as needing only a majority vote of the Legislature to be enacted.

**Helps Distressed Areas**

The California enterprise zone program was established by legislation enacted with bipartisan support in 1984 and offers a variety of tax credits and incentives to encourage businesses to locate, invest and create jobs in economically distressed communities.

The program is one of the only remaining statewide tax incentives that local areas can use to encourage businesses to stay, locate or expand within California. California’s enterprise zone program is vital to California’s economy and economic recovery.

**Effective Program**

Several studies have established the enterprise zone program’s effectiveness. Most recently, a national study, revised in March 2009, concluded that enterprise zone programs, including California’s, “have positive, statistically significant, impacts on local labor markets in terms of the unemployment rate, the poverty rate, the fraction with wage and salary income and employment.” The study was conducted by Drs. John C. Ham, Ayse Imrohoroglu, and Charles Swenson with the University of Southern California.

**Action Needed**

AB 1139 will likely be considered by the Assembly Jobs, Economic Development and the Economy Committee on April 29.

The CalChamber urges members of the business community to ask committee members to oppose AB 1139.

In addition, contact laurie.lively@calchamber.com to be added to the opposition coalition letter.

**Staff Contact:** Kyla Christoffersen

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**CalChamber-Sponsored Seminars/Trade Shows**

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

**Business Resources**


**International Trade**


(650) 738-7098.


12th Annual Consular Corps Luncheon.

Northern California World Trade Center. May 19, Davis. (916) 319-4262.

Busan International Machinery Fair. Busan Metropolitan City and others. Busan (South Korea), May 20–24.

3rd India Civil Aviation Week. Exhibitions India Pvt. Ltd. August 3–5, Pragati Maidan, New Delhi, India. henaa@eigroup.in.

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**CalChamber Calendar**

**Business Summit:** May 18-19, Sacramento

**Board of Directors:** May 19, Sacramento
Summit Breakouts Offer Tips on Political Networking, HR Guidelines

From Page 1

Merica founded ID Media, a political Internet agency, in 2004. ID Media delivers a wide range of technology solutions, including: Internet strategy, rapid website deployment and fully managed Internet outreach programs (outreach programs include online advertising, web video production, social media campaigns and large-scale outbound e-mail programs).

Over the last five years, as company president, Merica grew ID Media’s full-time team to seven associate consultants and built a list of top-tier clients that includes leading political consultants, elected officials, candidates, ballot measure campaigns and political action committees.

In 2006, Merica and ID Media were awarded the American Association of Political Consultants Pollie award for ID Media’s work on the Yes on Proposition 78 / No on Proposition 79 campaign (sending more than 60 million e-mails over 30 days to voters in California).

In 2008, Merica co-founded Fox and Hounds Daily, a blog covering business and politics.

- **Political Action 101**: Brian T. Hildreth, partner with Bell, McAndrews & Hiltachk LLP, will present legal basics on how to organize and manage a political action committee.

- **Bell, McAndrews & Hiltachk**: specializes in campaign, election and administrative law and litigation at all levels of government. Hildreth maintains a nationwide practice advising corporations, candidates, political action committees (PACs), major campaign donors and ballot measure committees in the areas of political and election law. He specializes in campaign, initiative and constitutional law and related litigation in federal, state and local jurisdictions.

- **Hildreth** previously served in the administration of Governor Pete Wilson as a special assistant in the Governor’s State Capitol office in Sacramento. He also worked as government relations counsel for the Northrop Grumman Corporation at its headquarters in Los Angeles. More recently, Hildreth was an associate with Jackson Lewis LLP, a national law firm representing management in employment and labor litigation matters.

Panelists for the session include:
- ✔ Nick Ortiz, government affairs manager, Greater Bakersfield Chamber;
- ✔ Kristen Amyx, president/chief executive officer, Goleta Valley Chamber;
- ✔ Randy Gordon, president/chief executive officer, Long Beach Area Chamber.

- **HR 101**: Helping alert attendees to employment law issues in California will be Jessica Hawthorne, CalChamber employment law counsel, and Susan Kemp, CalChamber senior labor law counsel.

- **Hawthorne** joined the CalChamber in 2006 and serves as employment law counsel and Helpline consultant. She is the editor of a number of CalChamber publications and writes the biweekly newsletter **HRCalifornia Extra**. For more than seven years, Hawthorne has been involved in training employers throughout California on legal issues and best practices.

- **Kemp** joined the CalChamber in 1992 and is currently the CalChamber’s Helpline manager. She is past editor of several CalChamber publications and a former HR and training manager. In addition, Kemp has provided training to employers on a variety of topics and conducted sexual harassment investigations.

- **Protecting Your Customers’ Credit Card Data**: Jay Cline, president of Minnesota Privacy Consultants, discusses how to protect the information your customers trust you with the most. Minnesota Privacy Consultants provides privacy assessment, training and breach-response services. Cline formerly served as the chief privacy officer of Carlson Companies, the parent company of Radisson Hotels, T.G.I. Friday’s restaurants and Carlson Wagonlit Travel. He also has been a privacy columnist for **Computerworld** since 2002.

- **Protecting Your Business from ADA Lawsuits**: David W. Peters, chief executive officer and general counsel of Lawyers Against Lawsuit Abuse, APC, will demonstrate how to make sure your company meets all the requirements necessary under the Americans with Disabilities Act (ADA).

- **Peters** has served as a consultant in more than 500 ADA/accessibility lawsuits throughout the United States.

### Registration

The two-day registration package, including Summit with lunch, the Host Reception and Host Breakfast, will rise from $220 to $275 after April 17. Other registration options are available.

Online registration and more information are available at [www.calchamber.com/summit09](http://www.calchamber.com/summit09).

Staff Contact: Alicia Smith
CalChamber Coalition to President: Resolve Mexico Trucking Dispute

In a recent letter to U.S. President Barack Obama, a coalition led by the California Chamber of Commerce Council for International Trade urged the administration to resolve the cross-border trucking dispute with Mexico while visiting that nation this week.

The California Coalition for Free Trade is supportive of the North American Free Trade Agreement (NAFTA) and understands that a 2001 dispute-settlement panel unanimously ruled that the blanket exclusion of Mexican trucking firms violates U.S. obligations under NAFTA. Mexico’s retaliation for the U.S. refusal to implement the cross-border trucking provisions has harmed California’s economy.

Mexico’s retaliation imposes tariffs on products from 40 states ranging from dental floss to Christmas trees. The targeted California agricultural products include 27 fresh and processed products worth $214 million in 2007, ranging from grapes to almonds. Mexico is California’s largest trading partner.

**Protectionism Damages Economy**

With a global recession, California stands to lose more than most states with moves toward protectionism. California exports amount to more than $134 billion annually. A move to protectionism only invites retaliation from trade partners. International-related commerce (including exports and imports of goods and services) accounts for approximately one-quarter of California’s economy. Trade policy is determined nationally, but its state impact is immense.

The coalition 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.

Protectionism would result in higher prices to the consumer for the specific product protected and in limited choices of products for consumers. Protectionism also violates trade agreements.

**Benefits of Free Trade**

The United States’ standing as a world leader depends directly upon its competitive success in the global economy. Increased market access achieved through trade agreements has played a major role in the nation’s success as the world’s leading exporter.

The coalition supports allowing California companies to compete more effectively in foreign markets, as well as to attract foreign business to California. Increased protectionism has not helped the U.S. economy in the past and it won’t in today’s increasingly global economy.

**Meeting Highlights Need to Pass U.S.-Panama Free Trade Agreement**

The pending U.S.-Panama Free Trade Agreement (FTA) was among the many topics discussed on March 26 when a delegation from Panama, led by Minister of Commerce Cristina Torres, visited the California Chamber of Commerce.

The United States and Panama concluded negotiations for an FTA in December 2006. According to the U.S. Department of Commerce, International Trade Administration, the U.S.-Panama Trade Promotion Agreement offers tremendous opportunities for California’s exporter. Panama’s strategic location as a major shipping route and the massive project underway to expand the capacity of the Panama Canal enhance the importance of the U.S.-Panama FTA for California’s exporters.

The FTA is pending a U.S. Congressional vote of approval expected to take place before the national elections to be held in Panama later this year.

When the agreement enters into

**See Meeting: Page 6**

Meeting at the CalChamber are (from left) Mirtha Adames, executive director, Panamanian Chamber of Commerce; Cristina Torres, general secretary, Panama Ministry of Commerce and Industry; Susanne Stirling, CalChamber vice president, international affairs; Gloribel Arias Castillo, director, foreign trade promotion, Panama Ministry of Commerce and Industry; and Flor Bocharel, La Prensa news correspondent, Panama.
Legislative Outlook

An update on the status of key legislation affecting businesses. Visit www.calchambervotes.com for more information, sample letters and updates on other legislation. Staff contacts listed below can be reached at (916) 444-6670. Address correspondence to legislators at the State Capitol, Sacramento, CA 95814. Be sure to include your company name and location on all correspondence.

Legislation Hampers State Energy/Water Supply

The California Chamber of Commerce is opposing legislation that would put the state in a vulnerable situation in terms of the reliability of the energy grid while increasing rates for California consumers and businesses.

SB 42 (Corbett; D-San Leandro) depresses business growth and vitality by barring desalination plants that provide new water supply sources and threatening the state’s core energy supply.

The bill prematurely retires the state’s once-through cooling plants, thereby having an immense impact on California’s ability to meet crucial peak demand and potentially leading to significant rate hikes.

The CalChamber believes the state should take a comprehensive approach to climate change and renewable energy, seeking comprehensive solutions to meet the demands of the environment.

In addition, lawmakers should consider that SB 42 also would have a negative impact on the state’s water supply when California is suffering through a significant drought. The state has an obligation to pursue all reasonable means of protecting and enhancing the state’s water supplies to meet the needs of homes, businesses and agriculture.

Desalination, the process of removing excess salt and other minerals from water, is a viable tool to obtain more water supplies. Technological advances have made it an affordable option.

Desalination plants are most effective when collocated with power plants since the water used to cool the turbines can be desalinated. Environmental safeguards can be taken to minimize any adverse effects, including water quality, discharge and the monitoring of brine levels.

Action Needed

SB 42 is scheduled to be considered April 21 in the Senate Energy, Utilities and Communications Committee. Ask committee members and your Senate representative to oppose SB 42.

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

Staff Contact: Amisha Patel

Meeting Highlights Need to Pass U.S.-Panama Free Trade Agreement

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force, 88 percent of U.S. consumer and industrial exports to Panama—including nearly all information technology products, aircraft and related equipment, agriculture and construction equipment, medical and scientific equipment, environmental products, pharmaceuticals, fertilizers, and agro-chemicals—will become duty-free immediately.

The U.S.-Panama FTA also will ensure that California’s firms can participate on a competitive basis in the $5.25 billion Panama Canal expansion project that will offer many opportunities for U.S. providers of goods and services. Ultimately, the canal expansion will benefit California’s exporters by increasing the canal’s capacity, which will reduce transporting costs and keep up with the demands of a growing global economy.

Panama

Panama has been hailed for the strong growth in its economy and its commitment to fighting corruption, combating narco-trafficking and promoting democracy.

In 2008, the United States had a trade surplus with Panama, with exports totaling $4.9 billion and imports slightly under $400 million. California exports to Panama totaled $346 million, making it the state’s 39th largest export market.

CalChamber Position

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

The FTA is a critical element of the U.S. strategy to liberalize trade through multilateral, regional and bilateral initiatives. Bilateral and regional agreements complement the possible goal of creating a Free Trade Area of the Americas.

Staff Contact: Susanne Stirling
‘Job Creators’ Will Improve Job Climate, Help Recovery

From Page 1

bills are amended during the legislative process.

In addition, a number of tax credit proposals have been introduced that have yet to be added to the list. Those proposals will be considered for addition to the “job creator” list as more information becomes available.

The CalChamber list of “job creators” includes the following proposals:

**Balanced Regulation**
- **AB 1107 (Blakeslee; R-San Luis Obispo) Economic Review of Regulations** — Reduces the likelihood that overly burdensome regulations will be adopted by ensuring that accurate, science-based assessments are conducted, revealing the true cost to California businesses and the economy. (Bill Last Amended 4/13/09).
- **SB 356 (Wright; D-Inglewood) Small Business Impact Analysis** — Improves climate for small business by reforming the regulatory development process to include a specific small business economic impact analysis and other provisions that mitigate the cost of regulation to small business.

**Encourages Investments**
- **AB 765 (Caballero; D-Salinas) Research and Development Credit** — Encourages investment and jobs in research and development by increasing the research and development tax credit rate from 15 percent to 20 percent, in conformity with federal law, beginning in 2011.
- **SB 699 (Alquist; D-Santa Clara) Manufacturing Investment Incentive** — Encourages investment and jobs in manufacturing by establishing a sales and use tax exemption for manufacturing equipment, beginning in 2013. (Bill Last Amended 4/2/09).

**Improved Legal Climate**
- **SB 287 (R. Calderon; D-Montebello) Comprehensive Meal Period Solution** — Reduces unnecessary litigation costs for all employers by providing clarity and guidance for complying with meal period laws by clarifying how employees take meal breaks, enter into on-duty meal period agreements, and revising the timeframe for recovering penalties. (Bill Last amended 4/15/09)
- **SB 380 (Dutton; R-Rancho Cucamonga) Meal Period Clarification** — Reduces unnecessary litigation costs for employers by providing clarity and guidance for complying with meal period laws by clarifying how employees take meal breaks, enter into on-duty meal period agreements, and revising the timeframe for recovering penalties. (Bill Last Amended 4/2/09).

**Increased Construction Jobs**
- **AB 333 (Fuentes; D-Sylmar) New Home Construction** — Ensures a smooth and seamless recovery of the residential housing market and that the necessary entitlements are in place by extending expiring subdivision maps for a period of five years.
- **SB 49 (Dutton; R-Rancho Cucamonga) Homebuyer Tax Credit** — Encourages recovery in the residential housing market by raising the funding cap on an already-successful economic stimulus program that offers homebuyers a $10,000 personal income tax credit for new home purchases. (Bill Last Amended 4/14/09).
- **SB 371 (Cogdill; R-Modesto) Water Supply Bond** — Creates a multitude of high-paying construction jobs and an array of other jobs in restoration and clean-up projects and provides long-term stability to the business climate by authorizing a $9.98 billion general obligation bond for water infrastructure needs.

**Workplace Improvements/Training**
- **AB 141 (Tran; R-Costa Mesa) Flexible Work Schedules** — Helps employees and employers achieve greater flexibility in work schedules by allowing workers to request and employers to mutually agree to a four-day 40-hour workweek without the payment of overtime.
- **AB 816 (Hagman; R-Chino Hills) Employment Training** — Helps California workers and companies stay competitive by ensuring that employer-generated funds are available to train employees for businesses that are locating or expanding in California, as well as those that are retraining employees to make California operations more viable. (Bill last amended 4/15/09).
- **SB 187 (Benoit; R-Bermuda Dunes) Flexible Work Schedules** — Helps employees and employers achieve greater flexibility in work schedules by allowing workers to request and employers to mutually agree to a four-day 40-hour workweek without the payment of overtime.

Yes on Props 1A-1F Launches Radio Ads

From Page 2

To demonstrate the difficult fiscal situation California is in, the ad begins with an audio montage of news reports of teachers facing pink slips, the unemployment rate reaching 10 percent and cuts to senior health care.

The announcer then explains to listeners what Propositions 1A-1F will do to help. “We can bring sanity and stability to our budget process and take away the politicians’ blank check in a special election on May 19th,” he says. “Yes on measures 1A-1F will help protect against even higher taxes—and prevent more cuts to schools, public safety, health care and infrastructure. 1A through 1F gives us short-term revenue and long-term budget stability.”

The ad concludes by stating that teachers, taxpayers, business, labor, seniors, firefighters and police all support Propositions 1A-1F.

More information is available at www.calchamber.com or on the campaign website at www.cabudgetreformnow.com.
Preventing Identity Theft: FACTA Red Flags Training

You need to have an identity theft program in place by May 1. Prepare your company and protect your customers.

Millions are affected by identity theft each year. Help prevent this from happening to your company and your customers with CalBizCentral’s FACTA Red Flags Compliance Training. This convenient online course shows employees and managers how to identify, detect and respond to “red flags” of identity theft in the handling of consumer account information, and how to protect the business and its customers.

* Offer expires 5/20/09. Use priority code FCT when ordering. CalChamber Preferred and Executive Members receive their 20% discount as well.

Order online at www.calbizcentral.com or call (800) 331-8877

Special Offer
Buy $150 worth of FACTA Red Flags Compliance training or any other online training and receive a $10 Starbucks Card.*