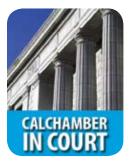
VOLUME 35, NUMBER 24 · AUGUST 14, 2009



Prop. 65 List: CalChamber Fights for Scientific Process



The California Chamber of Commerce continues to fight a state agency's decision to bypass the longstanding, science-based process for adding chemicals

to the Proposition 65 list.

Left unchallenged, the new procedure could affect consumers, manufacturers and distributors of a wide range of common products.

Background

In May 2008, the Office of Environmental Health Hazard Assessment (OEHHA) publicly announced its authority to automatically add certain chemicals to the Proposition 65 list under Labor Code Section 6382(d) (Labor Code Mechanism).

After years of following required statutory procedures specified under Proposition 65 for adding chemicals to the list of "substances know to the state to cause cancer or reproductive toxicity," OEHHA suddenly changed course.

Under its newly adopted erroneous interpretation of Proposition 65, OEHHA will list chemicals without review from the state's qualified experts, and without any process to take into account scientific information about the chemical.

Despite comments submitted by numerous entities, including CalChamber, objecting to OEHHA's interpretation of Labor Code Section 6382(d), on June 12, 2009, OEHHA published a list of 30 chemicals it proposes to list under the Labor Code Mechanism.

Many of these chemicals are elements in everyday products ranging from carpet to cosmetic and personal care products to critical pharmaceutical products.

CalChamber Goes to Court

In an effort to stop OEHHA from listing chemicals pursuant to its flawed interpretation of Labor Code Section 6382(d), CalChamber filed a lawsuit in December 2008, asking the court to rule that OEHHA was exceeding its authority under Proposition 65. Despite CalChamber's efforts, the trial court ruled in favor of OEHHA.

CalChamber immediately filed its Notice of Appeal and will be seeking review by the 1st District Court of Appeal. CalChamber's opening brief is due in September.

Hurts Marketplace/Consumers

Adding any chemical to the Proposition 65 list triggers a cascade of activity and consequences. Listings have an impact on the entire chain of commerce, from the manufacturer, to the retailer and finally, to the consumer.

For example, retailers frequently are sued under Proposition 65 based on alleged violations arising from merely selling products that are manufactured by others and that contain some amount of a listed chemical.

In response to litigation, retailers have adopted a number of approaches to protect themselves from the burdens and uncertainties associated with Proposition 65 enforcement actions, including seeking assurances from suppliers that their products comply with Proposition 65.

Therefore, when any new chemical is See CalChamber: Page 4

Study: AB 32 Will Cost Small Businesses Almost \$50,000



Implementing the AB 32 climate change law will cost California small businesses \$49,691 per year, significantly more than estimates by the

California Air Resources Board (ARB), according to a recent study.

The analysis of the state scoping plan for implementing AB 32 was led by Sanjay Varshney, dean of the College of Business Administration, California State University, Sacramento (CSUS), and Dennis H. Tootelian, Ph.D., professor of marketing and director, CSUS Center for Small Business.

The study focuses on the costs to be incurred by consumers in five areas: housing, transportation, natural gas, electricity and food. Using three scenarios to measure the economic costs, the authors found that the potential loss of output, jobs, indirect business taxes and labor income is substantial and significant.

While the ultimate goals of AB 32 are not in question, the findings of this study suggest that the costs associated with implementing the AB 32 scoping plan will have significant adverse impacts on California's economy, consumers and small businesses.

See Study: Page 6

Inside—

Vote Record on Job Creators/'Job Killers': Pages 5–10



Labor Law Corner

Independent Contractor Status Requires More than Mutual Agreement



Ellen Savage Senior Helpline Consultant

We've had to lay off some employees due to the economy, but as more work comes in, we'd like to have one of those former employees work as an independent contractor. What kind of written agreement should we have her sign?

If your former employee does not meet the legal tests to be classified as an independent contractor, no written agreement in the world will make her one.

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Determining Factors

The most important factor in determining whether a worker is an employee or an independent contractor is whether the worker has a right to control the manner and means of accomplishing the desired result. Courts and administrative agencies will look at many aspects of the relationship, including:

- Whether the worker is engaged in a distinct occupation or business—For example, if the worker will be doing accounting work, does she have her own business performing similar work for other companies? If the former employee is working only for you, she is less likely to be determined an independent contractor.
- Whether you or the worker supplied the instruments, tools and place for performing the work—Was the work performed in your workplace, on your computers or other equipment? If the worker comes to your office to do the accounting work on your computers in the same manner she did when she was an employee, she is more likely still an employee.
- Whether the work is part of your regular business—Is the worker performing the same type of work she performed when she was your employee? If the accounting function is part of your regular business, employee status would probably be determined, even if she does the work from home.

Other Factors

Some of the other factors to be

considered include how the worker is paid (that is, by time or by the job), whether the worker can hire subcontractors/helpers, the skills required in the particular occupation and the length of time for which the services will be performed.

If these legal tests are not met, any agreement between worker and hiring party purporting to establish an independent contractor relationship may be invalid.

Improperly classifying employees as independent contractors can expose a company to liability for unpaid taxes, workers' compensation, unemployment and disability insurance, as well as violation of wage and hour laws.

Independent Contractor Wizard

The California Chamber of Commerce "Independent Contractor Wizard" can help you determine if a worker qualifies as an independent contractor or an employee. The "wizard" is available under "Tools" at *HRCalifornia.com*.

In addition, the California Employment Development Department's payroll tax Form DE-38, available at *www.edd.ca.gov/Forms*, is a worksheet that can help to assess the relationship.

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.

CalChamber-Sponsored Seminars/Trade Shows

More information at www.calchamber.com/events.

Business Resources

Northern California Water Tour. Water Education Foundation. October 7–9, Sacramento. (916) 444-6240.

Government Relations

An Evening with the Mayor. Beverly Hills Chamber. September 2, Beverly Hills. (310) 248-1000.

GovLink Conference 2009. The Federal Technology Center. October 20–21, Sacramento. (916) 334-9388.

International Trade

Trade Mission to Vancouver, B.C. Sacramento Metro Chamber and Northern California World Trade Center. August 19–22,

Vancouver, B.C. (916) 321-9144. Developing and Expanding Export Markets. Center for International Trade Development. September 8, Los Angeles. (213) 580-7569.

Cultural Language of Business. Center for International Trade Development.

See CalChamber: Page 10



Common Goals Critical to Developing Real Solution to California Water Needs

The California Chamber of Commerce, our members and the Governor are extremely concerned about the inadequacy of the state's water delivery and supply system.

Although some local water agencies have expanded supply capacity in the last 10 years, two-thirds of California's citizens and businesses get their water through the Sacramento-San Joaquin Delta.

The Delta's levees are susceptible to earthquakes and floods, and although it has become the system for conveying water to

Central California, Southern California and the Silicon Valley, it was not designed with that in mind. As a water conveyance facility, the Delta is inefficient, creates pressures on our ecosystem and clearly needs to be revamped.

For the most part (although many Northern Californians are wary of how a conveyance facility would affect existing water rights issues), the strongest opposition to the idea that California should build a water conveyance system which bypasses the Delta comes from the people who live there and people who are opposed to growth. Delta residents are concerned that there will be less water for their beneficial uses.

The rest of the state, however, clearly needs the construction of a project that delivers the water directly to a delivery system to Central California, Southern California and Silicon Valley.

Democrats' Package Lacking

Recently, a group of Democratic legislators introduced a package of legislation that professes to have as co-



Meeting these goals will ensure clean and reliable water for all Californians and protect the economy, agriculture and environment for generations to come.

Commentary By Allan Zaremberg

equal goals protecting the environment and improving California's water delivery system.

The language of the legislation, however, virtually ignores a conveyance and supply solution and focuses almost solely on protecting, restoring and enhancing the Delta.

There's no question that the CalChamber supports mitigating any environmental harm that would be created by improvements to better convey water through the Delta and protecting any species that has been damaged because of the existing water delivery system.

But the Democratic package, by ignoring the water needs of people and commerce, is a recipe for economic disaster, and is a slap in the face to those Californians looking for job opportunities to move themselves up the economic ladder. Frankly, this approach is a step

backwards from finding real solutions and real water to meet the needs of California's growing population.

Water Goals

It is quite clear that California needs a new water conveyance system to protect California's environment and economy. We also need to shore up existing levees so that we can protect the Delta

community. We want to protect the business landowners in the Delta, and can do so by creating a fund from general obligation bonds.

We need to build additional storage for the water that flows into the Delta so that we can better control the temperature and supply for the benefit of the species that live there and the health of the ecosystem.

To develop a comprehensive water solution to California's water crisis, our goals must be to:

- improve Delta health;
- improve drinking water quality;
- expand water storage capacity;
- enhance statewide water supply and efficiency.

Unfortunately, the Democrats' package doesn't appear to even share these goals. The necessary first step in a constructive process that leads to a solution would be for the Democrats to embrace the same goals.

Meeting these goals will ensure clean and reliable water for all Californians and protect the economy, agriculture and environment for generations to come.

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



'Red Flags' Rule Enforcement Postponed

The Federal Trade Commission (FTC) is expanding its efforts to educate small businesses and other entities about compliance with the "red flags" rule to prevent identity theft and is delaying its enforcement of the requirement.

The goal of the education effort is to ease compliance by providing additional resources and guidance to clarify whether businesses are covered by the rule and what they must do to comply.

The "red flags" rule requires many businesses and organizations to implement a written Identity Theft Prevention Program to detect the warning signs—or "red flags"—of identity theft in day-to-day operations. The financial regulatory agencies, including the FTC, developed the rule, which was mandated by the Fair and Accurate Credit Transactions Act of 2003 (FACTA).

Three-Month Extension

To give creditors and financial institutions more time to review this guidance and develop and implement written Identity Theft Prevention Programs, the FTC has delayed enforcement of the rule until November 1, 2009.

The FTC has already posted "Frequently Asked Questions" that address how the FTC intends to enforce the rule and other topics (search for "red flag FAQs" at www.ftc.gov).

The enforcement FAQ states that FTC staff would be unlikely to recommend bringing a law enforcement action if entities know their customers or clients individually, or if they perform services in or around their customers' homes, or if they operate in sectors where identity theft is rare and they have not themselves been the target of identity theft.

The announcement that the FTC will delay enforcement of the rule until November 1, 2009, does not affect other federal agencies' enforcement of the original November 1, 2008, compliance deadline for institutions subject to their oversight.

Toll-Free Help

The FTC has established a toll-free help line for businesses and consumers interested in learning more about the "red flag" rules: (877) FTC-HELP.

CalChamber Training

The California Chamber of Commerce is offering "red flags" compliance training. Information is available at www.calbizcentral.com.

CalChamber Fighting Automatic Addition of Chemicals to Prop. 65 List

From Page 1 added to the Proposition 65 list, retailers often will contact their suppliers immediately and request representations that:

- the supplied products do not contain the chemical; or
- within 12 months of listing, the supplier will either reformulate the product to remove the chemical or provide a Proposition 65 warning on the product's label.

If such assurances are not provided, these retailers will then consider seeking

substitutes in the market or eliminate the products from their shelves. This harms consumers by eliminating choice in the marketplace and manufacturers by forcing them to reformulate, provide a warning (whether or not justified) or cease distribution.

From the moment a chemical is listed, products containing such chemicals are stigmatized, leading to immediate market pressure to reformulate or lose customers to substitute products. It is for this reason that Proposition 65 requires a scientific review of all chemicals before listing—a

review that is not required under the Labor Code Mechanism.

Further Action

The CalChamber is encouraging companies to review the list of chemicals proposed for listing, then contact Erika Frank for more information about the case and supporting the court challenge.

Links to Part 1 and Part 2 of OEHHA's chemical list appear on the CalChamber home page, www.calchamber.com.

Staff Contact: Erika Frank

Updating Federal Minimum Wage Posters

The California Chamber of Commerce strongly recommends businesses post the updated U.S. Department of Labor (DOL) minimum wage poster.

The poster includes updated criminal fine information regarding child labor and deletes the federal minimum wage amounts from 2007 and 2008. The DOL has indicated that the use of either this poster or the previous poster is

acceptable, but the CalChamber recommends posting the updated poster in a conspicuous place in all establishments to permit employees to readily read it.

More information on the new minimum wage posters is available at *HRCalifornia.com*.

Follow the *HRWatchdog* blog at *www.twitter.com/HRWatchdog* for updates.





Vote Record: Legislators Ax Job Creators, Give Approval to Many 'Job Killer' Bills

Based on the record of legislators' votes as the summer recess began in late July, job creator proposals have received a less favorable reception this year than "job killer" bills.

Just one of 19 proposals identified by the California Chamber of Commerce as improving the state's job climate and stimulating economic recovery has been enacted. Two other job creators that would have encouraged investments won approval by the full Assembly, but seem unlikely to advance further this year, having missed the deadline to pass Senate policy committees.

In contrast, although a number of "job killer" bills stalled in committees or were amended to remove their more onerous sections, just one "job killer" has been defeated in a floor vote this year. Numerous others have passed on largely party-line votes.

Following are descriptions of the bills in the CalChamber tally of how legislators have voted so far this year on job creators and "job killers" that reached the floor of at least one legislative house.

Former "job killers" shown in the vote record still contained "job killer" provisions at the time of the vote.

Job Creators



Encourages Investments

• AB 222 (Adams; R-Hesperia)

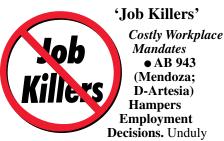
Green Energy. Encourages new investment and job creation by allowing conversion of solid waste to energy at a biorefinery to count toward meeting the state mandate that 20 percent of energy come from renewable sources by 2010. *Passed Assembly, June 1, 54-13*.

• AB 1565 (Ruskin; D-Redwood City) Research and Development Credits. 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 2012. Passed Assembly, May 14, 73-0.

Increased Construction Jobs

• AB 333 (Fuentes; D-Sylmar) New Home Construction. Facilitates the smooth recovery of the housing market by extending the life of active tentative subdivision maps and parcel maps for a period of two years. Passed Assembly, May 28, 76-0. Passed Senate, July 9, 34-0. Signed by Governor — Chapter 18 (urgency).



restricts the ability of businesses to use all legally available information in employment decisions, including consumer credit reports. *Passed Assembly, May 28, 49-30.*

• SB 145 (DeSaulnier; D-Concord) Workers' Compensation Apportionment. Erodes recent workers' compensation reforms and leads to higher premiums for California employers by undercutting fair and reasonable provisions in current law that protect an

employer from paying for disability that was not caused by a workplace accident. *Passed Senate, June 1, 23-15.*

• SB 227 (Alquist; D-Santa Clara) New Health Care Tax. Increases health care premiums by establishing a new targeted tax and government bureaucracy to change California's major risk medical insurance program (MRMIP). Passed Senate, June 3, 23-15.

• SB 789 (Steinberg; D-Sacramento)
Increased Agricultural Costs.

Undermines the process that now guarantees, through secret-ballot elections, a fair vote and the expression of agricultural employees' true sentiments on the selection of a collective bargaining representative. This act will hurt California's businesses by driving up costs, making employers less competitive in a global market. *Passed Senate, April 23, 23-14*.

Economic Development Barriers

• AB 231 (Huffman; D-San Rafael) Climate Change Tax Increase. Increases costs and discourages job growth by granting the Air Resources Board broad authority to implement unlimited fees and taxes with little or no oversight. Passed Assembly as "job killer," June 2, 45-31. Amended June 18 to remove opposition.

- AB 846 (Torrico; D-Newark)
 Anti-Business Cost Increases. Could significantly increase the cost of doing business in California by increasing fines and penalties, while disregarding good faith efforts of California's businesses to comply with complex regulations, and removing the incentive for agencies to work out settlements. Passed Assembly, June 3, 47-30.
- AB 1404 (De León; D-Los Angeles) Discourages Emission Reductions. Significantly increases business costs and threatens state jobs and businesses by severely limiting the amount of offsets California industries can use to meet their greenhouse gas emission goals. *Passed Assembly, June 3*, 45-30.
- AB 1405 (De León; D-Los Angeles) Climate Change Tax Increase. Increases costs and discourages job growth by granting the Air Resources Board broad authority to implement unlimited fees and taxes with little or no oversight. Passed Assembly, June 3, 45-30.
- SB 31 (Pavley; D-Agoura Hills) Climate Change Tax Increase. Increases costs and discourages job growth by granting the Air Resources Board broad authority to implement unlimited fees and taxes with little or no oversight. Failed Senate, June 3, 16-19.

Expensive, Unnecessary Regulatory Burdens

● AB 479 (Chesbro; D-Arcata) Expanded Waste Bureaucracy.

Originally increased costs by giving the California Integrated Waste Management Board (CIWMB) broad authority to impose any policy, program or incentive to reach a 75 percent solid waste diversion rate by 2020. Passed Assembly as "job killer," June 2, 41-32.

As amended July 1, circumvents an

See Vote: Page 6



Study: AB 32 Will Cost Small Businesses Almost \$50,000

From Page 1

Cost to Consumers, Business

The Varshney-Tootelian study concludes that when the scoping plan is fully implemented:

- California families will be facing increased annual costs of \$3,857 and consumers will be forced to cut discretionary spending by 26.2 percent in order to cope with the increased costs generated by the scoping plan.
- The average annual loss in gross state output from small businesses alone would be \$182.6 billion, approximately a 10 percent loss in total gross state output. This will translate into nearly 1.1 million lost jobs in California. Lost labor income is estimated to be \$76.8 billion, with nearly \$5.8 billion lost in indirect taxes. The decline in revenues will have a severe impact on future state budgets, the authors said.

The increased costs include higher energy costs. The study reports there is general agreement that natural gas prices will increase as a result of AB

32. Consequently, ARB estimates that retail electricity prices will increase 11.1 percent. This will put California at a competitive disadvantage with other states, where consumers and businesses would continue to enjoy savings from the price decreases noted in recent news reports.

Economic Engine

The study pointed out that small businesses drive the economic engine in California. They comprise 99.2 percent of all employer firms and 99.7 percent of all firms, account for more than half the employment, more than 90 percent of net new job creation, and 75 percent of the creation of gross state output.

An adverse impact on small business is bound to have an adverse impact on the production of goods and services in California, the risk tolerance of entrepreneurs and investors, the productivity of labor, the quality of life, and the overall well-being of the state and its citizens, the report found.

The study's cost analysis was based

on the ARB's own findings, which revealed significant cost increases. The study's findings are consistent with the Peer Review analysis commissioned by the ARB, the Legislative Analyst's Office review of the scoping plan and an analysis by the Los Angeles Economic Development Corporation. These independent analyses concluded that the cost of the AB 32 scoping plan would be significant, and that the ARB had significantly underestimated these costs. Staff Contact: Robert Callahan

Key to Using Vote Record

Y means voted for bill. N means voted against bill.

means not voting "aye" on a California Chamber-opposed bill. means not voting or absent.

Boldface type indicates votes in accord with CalChamber position.

The last three columns are a tabulation of votes in accord with the CalChamber position, not in accord with the CalChamber and not voting or absent.

Green headings are job creator bills. Red headings are "job killer" bills.

When 'Not Voting' Helps

Sometimes a legislator is unwilling to vote against a colleague, but is willing to support the CalChamber's opposition to a bill. In such cases, a legislator may abstain from voting, which will hinder passage of a bill, just as a "no" vote does.

To recognize that not voting can aid the CalChamber's opposition to a bill, the vote record includes the number of times legislators did not vote "aye" on a CalChamberopposed bill in the total for the column listing actions "in accord with" the CalChamber's position, if the legislator was not absent for the day.

Vote Record on Job Creators, 'Job Killer' Bills

From Page 5 existing public process by the CIWMB to develop a new mandatory commercial recycling program with stakeholders and prejudges the outcome of such work by prematurely imposing a similar program on California businesses. CalChamber still opposes, but no longer lists it as a

- SB 602 (Padilla; D-Pacoima) **Retail Restrictions.** Before amendments, would have severely restricted retailers from growing their businesses in California by limiting the sale of a legal product in a legal venue. Passed Senate as "job killer," June 3, 23-13. Amended July 1 to deal with a different subject.
- SB 603 (Padilla; D-Pacoima) **Retail Restrictions.** Severely restricts retailers from growing their businesses in California by limiting the sale of a legal product in a legal venue. Passed Senate, June 3, 21-16.

Inflated Liability Costs

"job killer."

• AB 2 (De La Torre; D-South Gate) **Health Insurance Litigation.** Drives

up the cost of health care premiums and increases the number of uninsured by establishing litigation as the only meaningful approach to resolving disputes over rescinding coverage. Passed Assembly, June 3, 45-26.

- AB 793 (Jones; D-Sacramento) Unreasonable New Liability for Employers. Imposes unfair and costly litigation burden on California employers by unreasonably expanding employer liability in workplace lawsuits far beyond the federal Lilly Ledbetter Fair Pay Act of 2009. Passed Assembly, May 18, 49-
- SB 95 (Corbett; D-San Leandro) Vehicle Price Increase. Before amendments, would have imposed new surety costs on car dealers in an alreadydifficult economy by placing excessive restrictions on the sale of trade-in vehicles and unreasonably expanding dealer liability and damages. Passed Senate as "job killer," June 3, 21-17. Amended July 1 to remove opposition.



Senate Votes on Job Creators/'Job Killers'

	Increased Construction Jobs	AB 333: New Homes	Costly Workplace Mandates	SB 145: Workers' Comp	SB 227: New Health Care Tax	SB 789: Agricultural Costs	Economic Development Barriers	SB 31: Climate Change Tax	Expensive, Unnecessary Regulatory Burdens	SB 602: Retail Restrictions	SB 603: Retail Restrictions	Inflated Liability Costs	SB 95: Vehicle Price Increase	Total in Accord with Chamber	Not in Accord with Chamber	Not Voting or Absent
Aanestad, S.(R) Alquist, E. (D) Ashburn, R. (R) Benoit, J. (R) Calderon, R. (D)		Y Y Y Y -		N Y N N	N Y N N	N Y N N		N Y N N		N Y N N Y	N Y N N		N Y N N	8 1 7 8 2	0 7 0 0 5	0 0 1 0
Cedillo, G. (D) Cogdill, D. (R) Corbett, E. (D) Correa, L. (D) Cox, D. (R)		Y Y - Y Y		Y N Y Y	Y N Y N	Y N Y Y		N N Y N		Y N Y N	Y N Y N		Y N Y N	2 8 0 6 8	6 0 7 2 0	0 0 1 0
Denham, J. (R) DeSaulnier, M. (D) Ducheny, D. (D) Dutton, B. (R) Florez, D. (D)		Y Y Y Y		N Y Y N Y	N Y Y N Y	N Y N Y		N Y Y N Y		N Y • Y	N Y Y N		N Y Y N Y	8 1 2 7 3	0 7 5 1 5	0 0 1 0
Hancock, L. (D) Harman, T. (R) Hollingsworth, D. (R) Huff, B. (R) Kehoe, C. (D)		<u>ү</u> <u>ү</u> ү		Y N N N Y	Y N N N Y	Y 		Y N N N Y		Y Y N N	Y N N N Y		Y N N N Y	1 5 8 8	7 1 0 0 7	0 2 0 0
Leno, M. (D) Liu, C. (D) Lowenthal, A. (D) Maldonado, A. (R) Negrete McLeod, G. (D)		Y Y Y Y		Y Y Y N Y	Y Y Y N Y	Y Y Y N Y		Y • Y N		Y Y Y • Y	Y Y Y •		Y Y Y N Y	1 2 1 7 3	7 6 7 1 5	0 0 0 0
Oropeza, J. (D) Padilla, A. (D) Pavley, F. (D) Price, C. (D)* Romero, G. (D)		— Ү Ү Ү		Y Y Y *	Y Y Y *	Y Y Y *		Y • Y * Y		Y Y Y * Y	Y Y Y *		Y Y Y *	0 2 1 1	7 6 7 * 7	1 0 0 *
Runner, G. (R) Simitian, J. (D) Steinberg, D. (D) Strickland, T. (R) Walters, M. (R)		Y Y Y Y		N Y Y N N	Y Y N N	N Y Y N N		Y Y N N		N Y Y N	N Y Y N N		Y Y N N	8 1 1 8 8	0 7 7 0 0	0 0 0 0
Wiggins, P. (D) Wolk, L. (D) Wright, R. (D) Wyland, M. (R) Yee, L. (D)		Y - Y Y		Y Y • N Y	Y Y Y N Y	Y Y Y N Y		Y Y N N		Y Y Y N Y	Y Y Y N		Y Y N N	1 0 4 8 3	7 7 4 0 5	0 1 0 0

^{*} Sworn into office in Senate on June 8, 2009



Assembly Votes on Job Creators/'Job Killers'

	Encourages Investments	AB 222: Green Energy	AB 1565: R&D Credits	Increased Construction Jobs	AB 333: New Homes	Costly Workplace Mandates	AB 943: Hampers Employment Decisions	Economic Development Barriers	AB 231: Climate Change Tax	AB 846: Anti-Business Cost Increases	AB 1404: Discourages Emission Reductions	AB 1405; Climate Change Tax	Expensive, Unnecessary Regulatory Burdens	AB 479: Expanded Waste Bureaucracy	Inflated Liability Costs	AB 2: Health Insurance Litigation	AB 793: Unreasonable New Liability	Total in Accord with Chamber	Not in Accord with Chamber	Not Voting or Absent
Adams, A. (R) Ammiano, T. (D) Anderson, J. (R) Arambula, J. (I) Bass, K. (D)		Y Y Y Y Y	Y Y Y -		Y Y Y Y		N Y N Y		N Y N N Y	N Y N Y	N Y N Y	N Y N Y Y		N Y N Y		N Y N Y	N Y N Y	11 1 11 4 2	0 8 0 7 8	0 2 0 0 1
Beall, J. (D) Berryhill, B. (R) Berryhill, T. (R) Blakeslee, S. (R) Block, M. (D)		N Y Y —	Y Y Y Y		Y Y Y Y		Y N N N		Y • N N	Y N N	Y N N	Y N N		Y N N		Y • N N	Y N N N	2 11 11 11 2	9 0 0 0 2	0 0 0 0 7
Blumenfield, B. (D) Brownley, J. (D) Buchanan, J. (D) Caballero, A. (D) Calderon, C. (D)		N N N Y	Y Y Y Y		Y Y Y Y		Y Y Y Y		Y Y Y •	Y Y Y Y	Y Y • Y	Y Y Y Y		Y Y • Y		Y Y Y Y	Y Y Y Y	2 2 4 4 5	9 9 7 7 6	0 0 0 0
Carter, W. (D) Chesbro, W. (D) Conway, C. (R) Cook, P. (R) Coto, J. (D)		N Y Y Y	Y Y Y Y		Y Y Y Y		Y Y N N		Y Y N N Y	Y Y N N	Y Y N N Y	Y Y N N Y		Y Y N N		Y Y N • Y	Y Y N N	2 2 11 11 3	8 9 0 0 8	1 0 0 0
Davis, M. (D) De La Torre, H. (D) De León, K. (D) DeVore, C. (R) Duvall, M. (R)		Y Y Y Y	Y Y Y Y		Y Y Y Y		Y Y N N		Y Y Y N N	Y Y Y N	Y Y N N	Y Y Y N		Y Y N N		Y Y Y N	Y Y Y N N	3 3 11 10	8 8 8 0	0 0 0 0 0
Emmerson, B. (R) Eng, M. (D) Evans, N. (D) Feuer, M. (D) Fletcher, N. (R)		Y Y N Y	Y Y Y Y		Y Y Y Y		N Y Y N		N Y Y N	N Y Y N	N Y Y N	N Y • Y		N Y Y N		• Y Y Y N	N	11 2 3 2 11	0 7 7 9 0	0 2 1 0
Fong, P. (D) Fuentes, F. (D) Fuller, J. (R) Furutani, W. (D) Gaines, T. (R)		Y Y Y Y	Y Y Y —		Y Y Y Y		Y Y N Y		Y Y N Y	Y Y N Y	Y Y N Y	Y Y N Y		Y Y N Y		Y Y N Y	Y Y N Y	2 2 11 3 10	8 8 0 8 0	1 1 0 0 1
Galgiani, C. (D) Garrick, M. (R) Gilmore, D. (R) Hagman, C. (R) Hall, I. (D)		Y Y Y Y	Y Y Y Y Y		Y Y Y Y		Y N N N		N N N N	Y N N N	• N N N	• N N N Y		Y N N		• N N N •	Y N Y N Y	7 10 10 11 5	4 0 1 0 6	0 1 0 0 0



Assembly Votes on Job Creators/'Job Killers'

	Encourages Investments	AB 222: Green Energy	AB 1565: R&D Credits	Increased Construction Jobs	AB 333: New Homes	Costly Workplace Mandates	AB 943: Hampers Employment Decisions	Economic Development Barriers	AB 231: Climate Change Tax	AB 846: Anti-Business Cost Increases	AB 1404: Discourages Emission Reductions	AB 1405: Climate Change Tax	Expensive, Unnecessary Regulatory Burdens	AB 479: Expanded Waste Bureaucracy	Inflated Liability Costs	AB 2: Health Insurance Litigation	AB 793: Unreasonable New Liability	Total in Accord with Chamber	Not in Accord with Chamber	Not Voting or Absent
Harkey, D. (R) Hayashi, M. (D) Hernandez, E. (D) Hill, G. (D) Huber, A. (D)		Y N Y -	Y Y Y Y		Y Y Y Y		N Y Y N		N Y • Y N	N Y Y Y N	N	N Y Y Y N		N Y Y Y		N Y Y Y N	N Y Y Y Y	11 2 4 2 10	0 9 7 8 1	0 0 0 1
Huffman, J. (D) Jeffries, K. (R) Jones, D. (D) Knight, S. (R) Krekorian, P. (D)		N Y N Y	Y Y Y Y		Y Y Y Y		Y N Y N Y		Y N Y N Y	Y N Y N Y	Y N Y N Y	Y N Y N Y		Y N Y N Y		Y N Y N Y	Y N Y N Y	2 11 2 11 2	9 0 9 0 8	0 0 0 0 1
Lieu, T. (D) Logue, D. (R) Lowenthal, B. (D) Ma, F. (D) Mendoza, T. (D)		Y Y Y	Y Y Y Y		Y Y Y		Y N Y Y		Y N Y Y	Y N Y Y	Y N Y Y	Y N Y Y		Y N Y Y		Y N Y Y	Y N Y Y	2 11 2 3 3	8 0 8 8 7	1 0 1 0 1
Miller, J. (R) Monning, B. (D) Nava, P. (D) Nestande, B. (R) Niello, R. (R)		Y	Y Y Y Y		Y Y Y Y		N Y Y N		N Y Y N N	N Y Y N	N Y Y N	N Y Y N N		N Y Y N		N Y Y • N	N Y Y N	11 2 2 10 11	0 8 8 0 0	0 1 1 1 0
Nielsen, J. (R) Perez, J. (D) Perez, M. (D) Portantino, A. (D) Price, C. (D)*		Y Y Y Y	Y Y Y Y		Y Y Y Y		N Y Y Y Y		N Y Y Y Y	N Y • Y	N Y Y Y Y	N Y Y • Y		N Y N • Y		N Y Y Y Y	N Y Y Y	11 2 5 5 3	0 8 6 6 7	0 1 0 0 1
Ruskin, I. (D) Salas, M. (D) Saldaña, L. (D) Silva, J. (R) Skinner, N. (D)		N N Y N	Y Y Y Y Y		Y Y Y Y		Y Y Y N Y		Y Y Y N Y	Y Y Y N Y	Y Y Y N Y	Y Y Y N Y		Y Y Y N Y		Y Y Y N Y	Y Y N Y	2 2 1 11 2	9 8 8 0 9	0 1 2 0 0
Smyth, C. (R) Solorio, J. (D) Strickland, A. (R) Swanson, S. (D) Torlakson, T. (D)		Y Y Y N Y	Y Y Y Y		Y Y Y Y		N Y N Y		N Y N Y	N Y N Y	N Y N Y	N Y N Y		N • N Y		N • N Y	N Y N Y	10 5 11 2 3	0 6 0 9 8	1 0 0 0
Torres, N. (D) Torrico, A. (D) Tran, V. (R) Villines, M. (R) Yamada, M. (D)		Y Y Y Y	Y Y Y Y		YYYY		• Y N N		Y Y N N	Y Y N N	Y Y N N	Y Y N N		Y Y N N		Y Y N N	Y Y N N Y	4 3 11 11 4	7 8 0 0 3	0 0 0 0 4

^{*} Sworn into office in Senate on June 8, 2009



Committee Votes on Job Creator Bills



A number of job creator bills that did not advance to the floor of either

legislative house for consideration were voted upon by policy committees. Following is a recap of those policy committee votes.

Balanced Regulation

SB 356 (Wright; D-Inglewood)
Small Business Impact Analysis —
Improves the small business climate in
California 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. Passed Senate Business,
Professions and Economic Development
Committee, April 27, 6-2.

Ayes: Aanestad (R-Grass Valley), Correa (D-Santa Ana), Negrete McLeod (D-Chino), Walters (R-Laguna Niguel), Wyland (R-Carlsbad), Yee (D-San Francisco/San Mateo).

Noes: Florez (D-Shafter), Romero (D-East Los Angeles).

Absent/abstaining/not voting: Corbett (D-San Leandro), Oropeza (D-Long Beach).

Encourages Investments

AB 829 (Caballero; D-Salinas) Manufacturing Investment Incentive

— Before May 26 amendments, encouraged investment and jobs in manufacturing by establishing a sales and use tax exemption for manufacturing equipment, beginning in 2013. *Passed Assembly Revenue and Taxation, May 18*, 6-0. (No Position as Amended May 26).

Ayes: Beall (D-San Jose), C. Calderon (D-Montebello), Coto (D-San Jose), Fong (D-Cupertino), Ma (D-San Francisco), Portantino (D-La Cañada Flintridge).

Absent/abstaining/not voting: DeVore (R-Irvine), Harkey (R-Dana Point), Nielsen (R-Gerber).

Improved Legal Climate

SB 393 (Harman; R-Huntington Beach) More Equitable Court Judgments — Improves fairness and equity of court awards by tying the interest rate on judgments to more closely follow the prime rate. Failed passage in Senate Judiciary, May 12, 2-3. Reconsideration Granted.

Ayes: Harman (R-Huntington Beach), Walters (R-Laguna Niguel).

Noes: Corbett (D-San Leandro), Florez (D-Shafter), Leno (D-San Francisco).

CalChamber-Sponsored Seminars/Trade Shows

From Page 2

September 22, Los Angeles. (213) 580-7569.

China International Enterprises Fair. American Carson International Inc. September 22-25, China. *Harry@americancarson.com*.

China Import/Export Fair. China Foreign Trade Centre. Phase 1: October 15–19. Phase 2: October 23–27. Phase 3: October 31–November 4. Guangzhou, China.

Localization World Conference Silicon Valley. Localization World Ltd. October 20–22, Santa Clara. (208) 263-8178.

The 24th Trade Expo Indonesia.
Indonesian Trade Promotion Center.

October 28–November 1, Jakarta, Indonesia. (213) 387-7041.

Labor Law

Exempt Employees: Managing Benefit Pay and Deduction. CalBizCentral. August 20, online web seminar. (800) 331-8877.

CalChamber Calendar

Fundraising Committee:
September 10, Santa Monica
Board of Directors:
September 10–11, Santa Monica
Council for International Trade:
September 11, Santa Monica
Public Affairs Council Retreat:
October 28–30, Napa

Increased Construction Jobs

SB 696 (Wright; D-Inglewood) Supports Construction of Vital

Projects — Prevents the loss of thousands of jobs and keeps businesses in California by re-establishing the South Coast Air Quality Management District credit bank. *Passed Senate Energy, Utilities and Communications, June 16, 6-3.*

Ayes: Benoit (R-Bermuda Dunes), R. Calderon (D-Montebello), Cox (R-Fair Oaks), Padilla (D-Pacoima), Strickland (R-Thousand Oaks), Wright (D-Inglewood).

Noes: Kehoe (D-San Diego), Lowenthal (D-Long Beach), Simitian (D-Palo Alto).

Absent/abstaining/not voting: Corbett (D-San Leandro), Wiggins (D-Santa Rosa).

Workplace Improvements/ Training

◆ AB 816 (Hagman; R-Chino Hills) Employment Training — Helps California workers and companies stay competitive by ensuring that employergenerated 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. Failed passage in Assembly Insurance, April 22, 2-6. Reconsideration granted.

Ayes: Blakeslee (R-San Luis Obispo), Garrick (R-Carlsbad).

Noes: Carter (D-Rialto), Coto (D-San Jose), Feuer (D-Los Angeles), Hayashi (D-Castro Valley), Niello (R-Fair Oaks), Torres (D-Pomona).

Absent/abstaining/not voting: C. Calderon (D-Montebello), Nava (D-Santa Barbara).

◆ 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. Failed passage in Senate Labor and Industrial Relations, April 29, 2-4. Reconsideration granted.

Ayes: Hollingsworth (R-Murrieta), Wyland (R-Carlsbad).

Noes: DeSaulnier (D-Concord), Ducheny (D-San Diego), Leno (D-San Francisco), Yee (D-San Francisco).



U.S.-Korea Free Trade Agreement: Trade Representative Seeking Comments



The Office of the U.S. Trade Representative issued a *Federal Register* notice requesting comments by September 15 on the pending U.S.-Korea Free Trade Agreement (FTA).

The California Chamber of Commerce Council for International Trade and CalChamber's Coalition for Free Trade are urging businesses to submit comments in support of this agreement, pointing out how the agreement will benefit the U.S. economy and U.S. workers, businesses, farmers, ranchers and consumers.

Korea is a \$1 trillion economy and is the United States' seventh largest goods trading partner. Korea is California's fifth largest exporting partner. In 2008, California exported \$7.7 billion to Korea.

A successful FTA would be the biggest free trade pact the United States has reached since it entered into the North American Free Trade Agreement (NAFTA) more than a decade ago. Supporters remain hopeful that this comprehensive agreement will be brought up for consideration before the 111th Congress adjourns later this year.

Benefits

Passage of the U.S.-Korea FTA, signed by U.S. President George W. Bush on June 30, 2007 after a year-and-a-half of negotiations, will eliminate tariffs and other barriers to trade in goods and services, promote economic growth, and enhance trade between the United States and Korea. Under the FTA:

- More than half of current U.S. agricultural exports to Korea—with a value of \$1.6 billion—will become duty-free immediately, including high-value agricultural products such as almonds, pistachios, wine and cherries.
- Many other key agricultural goods, such as pork and citrus products, will gain unparalleled access to the South Korean market and its prosperous consumer base.
- Almost 95 percent of all bilateral trade in consumer and industrial products will become duty-free within three years, and virtually all remaining tariffs on consumer and industrial goods will be eliminated in 10 years.
- Significant non-tariff market access barriers in Korea to U.S. goods, services and investment will be eliminated.
- U.S. interests are protected through robust provisions on transparency, intellectual property rights, competition, investment and other rules, particularly in the area of services.

The agreement also has important implications beyond bilateral trade and investment. By giving U.S. exporters and investors a preferential position in the world's 11th-largest economy, an FTA with Korea will enhance U.S. businesses' ability to compete in the dynamic Northeast Asia regional economy.

From a strategic vantage point, the FTA will reinforce the critical partnership and alliance between the two countries.

Korea is a significant market for U.S. small and medium-sized companies, which make up a majority of U.S. businesses exporting to Korea.

Win for California

For California, the FTA would be a big win, making computer and electronic products more competitive and affordable to Koreans. Also benefiting from U.S.-Korea FTA reductions will be California's exports of machinery, transportation equipment and most agricultural products.

Action Needed

The CalChamber is urging members of the business community to send their comments and support letters to the Office of the U.S. Trade Representative.

For more information and a sample letter, visit www.calchamber.com/international/USKoreaFTA.
Staff Contact: Susanne Stirling

Easier Access to Trade Help at Expanded CalChamber Web Section

In an ongoing effort to promote international trade for California— one of the 10 largest economies in the world—the California Chamber of Commerce recently expanded its international trade website.

The redesigned website has a more user-friendly interface highlighting opportunities for the business community to learn about exporting and become engaged in trade policy.

Detailed information vital to the businesses that make California one of the largest exporting states in the nation and one of the largest economies in the world is available at www.calchamber. com/international, including:

- global resources and international contacts to get businesses started;
- trade issues, federal legislation and everything about the import/export business;
- trade statistics about the impact of foreign direct investment in the U.S. economy;
- trading partner portals, pulling together in one place information about the state's top trading partners;
- past editions of the weekly *Trade Update* e-newsletter, which covers the

latest international headlines, trade policy updates and calendar of international events;

- dozens of international articles, videos and reports generated by the CalChamber annually;
- more than 50 frequently asked questions and answers.
- Welcome to California Info Packet for the consular corps, compiling information frequently asked of and answered by the CalChamber International Affairs Department for consular corps members newly assigned to California.



Gain better understanding of time-off accrual, legal deductions and other California requirements for exempt employees with CalBizCentral's new live Web seminar.

If you manage your company's time-off policy plan and payroll, and employ exempt workers, register for **Exempt Employees: Managing Accrued Benefit & Pay Deductions**.

This intermediate level, 90-minute, live Web seminar features CalChamber experts Jessica Hawthorne, Susan Kemp and Erika Frank covering in-depth information on key topics, such as:

- When deductions can be made to exempt salaries and how much can be deducted.
- When employers can force mandatory use of vacation and paid time off (PTO).
- "Furlough" issues such as pay deductions, mandatory use of accrued time-off and vested benefits.
- What a "floating holiday" means for exempt employees.
- Pros and cons of PTO/vacation vs. sick leave with regards to kin care.
- ...And more

Thursday, August 20, 10 a.m., \$170*

*Online orders, orders under \$150 and Web seminars require prepayment. Web seminars are non-refundable. CalChamber Preferred and Executive members will also receive their 20% member discount.

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