

ALERT

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Governor, CalChamber Chair: Unity Can Solve State Woes

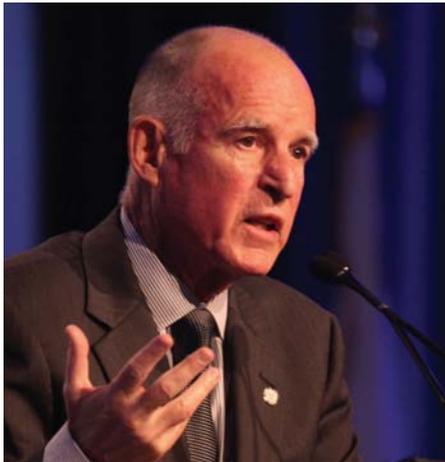


Photo by Megan Wood



Photo by Steve Snyder

Governor Jerry Brown and CalChamber Chair S. Shariq Yosufzai urge listeners at the 86th Annual Sacramento Host Breakfast on June 2 to work together. Story on Page 4.

Attorney General Addresses CalChamber Board



California Attorney General Kamala Harris shares with the CalChamber Board of Directors on June 2 an overview of her efforts to improve public safety, including dealing with transnational gangs, reducing the backlog of DNA testing requests and updating technology used by crime-fighting agencies.

'Job Killer' Bills Fail to Move



A number of California Chamber of Commerce-opposed "job killer" bills are likely dead for the year, having missed the legislative deadline

to pass the house in which they were introduced.

Missed Deadline

The following "job killer" bills failed to pass the house in which they were introduced:

- **AB 10 (Alejo; D-Watsonville) Automatic Minimum Wage Increase.** Creates uncertainty by imposing an automatic indexing of the minimum wage based on inflation whether or not California is in a recession and increases the minimum wage while California struggles to recover from the recession.

- **AB 59 (Swanson; D-Alameda) Family and Medical Leave Expansion.** Creates an increased burden on employers and makes a California-only mandated benefit different than the federal family leave act by significantly expanding the category of individuals with serious health conditions for whom an employee can take a leave of absence.

- **AB 400 (Ma; D-San Francisco) Paid Sick Leave Mandate.** Unreasonably expands both public and private employers' costs and liability by

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Labor Law Corner

Federal/State Family Leave, Wage Replacement Laws Apply to Dads Too



Dana Leisinger
HR Adviser

One of my male employees has a new baby. What amount of time do I have to provide for his baby bonding time? Do I have to pay him for this time?

This type of leave is covered by the federal Family Medical Leave Act (FMLA) and California Family Rights Act (CFRA).

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50+ Employees

If an employer has 50 or more employees at this location (or within 75 miles), and the employee has worked for at least a year and 1,250 hours during the year immediately preceding the leave, the employee is entitled to take baby-bonding leave to be with his new child.

The new dad can take up to 12 weeks within a year of the birth of the baby. This 12-week "bank" can be intermittent; however, for baby-bonding time, the employer can mandate that the employee take the leave in two-week minimum increments, except on two separate occasions (unspecified) the employee is allowed to use less than two weeks.

The employer is not required to pay the employee for this time, but the employee can apply for Paid Family Leave (PFL) through the Employment Development Department (EDD) for a wage replacement. This misleadingly named law is not a leave of absence, but a wage replacement only, and pays for six weeks only.

Fewer than 50 Employees

If the employer has fewer than 50 employees, the time off is at the employer's discretion. If the time off is granted, then the employee can apply for PFL.

If the employee has vacation time earned, the employer can require that the employee use up to two weeks of the vacation time before the PFL is paid. The first week is credited toward the EDD requirement of a one-week waiting period.

If the employer offers health insurance benefits, those benefits are extended during the leave of absence. If the employee normally pays a portion of the premium via a wage deduction, that employee must remit payment to the employer for the employee's portion.

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

Economist Online Franchise Fair.
The Economist. June 28–29, Webinar.
(212) 541-0565.

9th Annual Workers' Compensation Conference. California Coalition on Workers' Compensation. July 20–22, Anaheim. (916) 441-4111.

International Trade

Business Future of the Americas Conference. AmCham Colombia and the Association of American Chambers of Commerce in Latin America. June 12–14, Colombia.

Export 101. Northern California District Export Council. June 15, Oakland.

Doing Business in Korea. Women in International Trade. June 16, Torrance. (800) 514-6407.

Business Delegation to Iraq. U.S. Chamber of Commerce. June 17–24, Iraq. (202) 463-5628.

Advanced Management of an Export/Import Business. Sacramento Regional

Center for International Trade Development. June 17, Sacramento. (916) 563-3200.

India Trade Conference. Port of Los Angeles, Network of Indian Professionals, U.S. Commercial Service, Quanta Consulting, Inc. June 23, Los Angeles. (949) 480-9466.

Global California Conference. Monterey Bay International Trade Association. June 23, Los Angeles. (831) 335-4780.

Russian American Pacific Partnership. July 13–14, Kamchatskiy Territory, Russia.

Food/Beverage Show. Exhibition Management Services. July 17–19, Johannesburg, South Africa.

Understanding Antidumping and Countervailing Duties. Women in International Trade. August 17, Torrance. (800) 514-6407.

Trade Mission to South Africa. U.S. Chamber of Commerce. September 19–23, South Africa. (202) 482-5496.

Cargo Loss: Natural Disasters and Piracy Theft. Women in International Trade.

See Seminars: Page 8



CalChamber Business Summit

Four Receive CalChamber Small Business Advocate of the Year Award

The California Chamber of Commerce honored four small business executives June 1 with its 2011 Small Business Advocate of the Year award, recognizing recipients for their advocacy efforts on behalf of small businesses.

The CalChamber presented the awards at a luncheon before more than 400 attendees at the CalChamber Business Summit in Sacramento.

Award Recipients

- **Brian Hawley**, co-founder/chief technology officer, Luminex Software, Inc., Riverside;
- **Dr. Les Malo**, founding partner and director of medicine, Garden Grove Dog & Cat Hospital, Garden Grove;
- **Jerry Miller**, managing partner, IMC Municipal Consulting, Long Beach;
- **Myron “Sam” Smith**, president, Genesis Financial/Creative Employee Benefits Inc., Los Angeles.

Honorees are nominated by local chambers and selected by a task force



Photo by Megan Wood

2011 Small Business Advocate of the Year award recipients (from left): Myron “Sam” Smith, Jerry Miller, Dr. Les Malo, Brian Hawley.

comprised of chamber of commerce executives and small businesses.

The criteria used in the selection process include taking leadership roles in or working on federal, state or local ballot measures, testifying before the

state Legislature and representing a local chamber of commerce before local government.

Profiles of the award recipients will appear in future issues of *Alert*.

Staff Contact: Dave Kilby

CalChamber Names 21 Local Chambers to President’s Circle



The California Chamber of Commerce on June 1 recognized 21 local chambers of commerce with the President’s Circle award.

The award, first presented in 2009, recognizes chambers for excellence in business advocacy and helping their members comply with California employment laws.

2011 Award Recipients

The 2011 recipients of the President’s Circle award and the chamber representative accepting the awards at the CalChamber Business Summit are as follows:

- Greater Bakersfield Chamber: Debbie Moreno, president/CEO;
- Camarillo Chamber: Jennifer Wells, president/CEO;

- Greater Conejo Valley Chamber: Jill Lederer, president/CEO;
- Greater Corona Valley Chamber: Bobby Spiegel, CEO/president;
- Culver City Chamber: Angela Gibson, chair of the board;
- El Centro Chamber and Visitors Bureau: Cathy Kennerson, CEO;
- Greater Fresno Area Chamber: Scott Miller, chair-elect;
- Lake Elsinore Valley Chamber: Kim Cousins, president/CEO;
- Long Beach Area Chamber: Randy Gordon, president/CEO;
- Murrieta Chamber: Rex Oliver, president/CEO;
- Napa Chamber: Lisa Batto, president/CEO;
- Orange Chamber: Heidi Larkin-Reed, president/CEO;
- Greater Oxnard Chamber: Nancy Lindholm, president/CEO;
- Palm Desert Chamber: Barbara deBoom, president/CEO;
- Porterville Chamber: Donnette Silva Carter, president/CEO;
- Greater Riverside Chambers: Cindy

- Roth, president/CEO;
- Greater San Fernando Valley Chamber: Nancy Hoffman Vanyek, CEO;
- San Jose Silicon Valley Chamber: Pat Sausedo, vice president;
- Temecula Valley Chamber: Isaac Lizarraga, chairman of the board;
- Turlock Chamber: Sharon Silva, president/CEO;
- Vallejo Chamber: Anita Hawkes, president/CEO.

President’s Circle award recipients published vote records of their state legislators on key business issues, generated letters to state elected officials on issues of interest to members, participated in the CalChamber compliance product resale program at an exemplary level and brought a delegation to Sacramento for the CalChamber Business Summit.

In 2010, there were 22 President’s Circle award recipients. In 2009, 13 local chambers received the award.

Staff Contact: Steve Snyder

Governor Brown, CalChamber Chair Say Unity Can Solve California's Woes

Coming together with a commitment to take the difficult steps needed can help restore California's economic health, the Governor and CalChamber chair said at the 86th annual Sacramento Host Breakfast on June 2.

"When there are great challenges... we've always come together," said Governor Jerry Brown at the start of a candid talk about the difficulties California must confront, particularly related to the business climate.

CalChamber Chair S. Shariq Yosufzai commented that "we all need to come together and become committed to achieving" the steps needed to restore prosperity.

"Creating certainty for businesses will remove one of the biggest obstacles to economic growth," Yosufzai said. (See text of his remarks on Pages 9-10.)

Governor

The Governor discussed the challenges California faces with competitiveness, job creation, education, the water system, energy and infrastructure.

He summarized the state's budget cri-

sis: a debt buildup over the last 10 years, "deferred obligated payments to schools, taking money from local government, taking money from transportation and other special funds, amounts to about \$34.7 billion."

Although revenue is increasing, the Governor said, "we're not by any means out of the woods." He added that it is important to have a reserve to offset unexpected downturns.

His proposal, he said, is "about half cuts and about half temporary extensions on the taxes that were enacted four years ago."

He acknowledged that business must create the wealth needed for the state to recover economically.

Although it is a difficult time, Brown said, it is "a very unique moment" in the state's history to fix the problems. "And over the next 10 days if we can pull this together, then we can go to the people themselves."

The vote is important, he said, because "a democracy...it's the vote of the people; it's the power of the people. And we have a genuine debate here. Should we have these

tax extensions, temporary though they may be, or is that the wrong way to go?"

He assured business leaders, "We'll make it all work, if you just follow my lead."

Yosufzai

Yosufzai highlighted the need "to reignite our business climate and restore our competitive advantages."

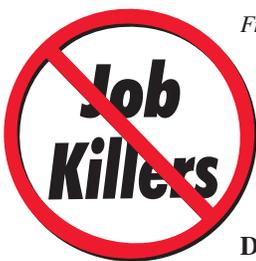
He pointed out that California "has benefited from its openness to diversity, taking the best of all the cultures and traditions from around the globe, improving them, and making them our own."

Central to California's competitiveness is education, with science, technology, engineering and mathematics being critical, Yosufzai said.

Affordable, reliable energy, including the infrastructure to deliver that energy where needed, is another "pillar of competitiveness," he added.

"Finally, adopting a comprehensive budget solution would send a powerful signal that California is once again re-opened for business," Yosufzai said.

'Job Killer' Bills Fail to Move



From Page 1

mandating employers to provide paid sick leave for employees.

● **AB 638**

(Skinner; D-Berkeley)

Increased Trans-

portation Costs. Increases costs on consumers and business by mandating an unrealistic reduction of petroleum fuel consumption with an unrealistic increase in alternative fuel consumption to 15% below 2003 levels by 2020.

● **AB 832 (Ammiano; D-San**

Francisco) Back Door Tax Increase.

Imposes a back door tax on software with a majority vote bill by making it virtually impossible for the owner to show that the software is eligible for a property tax exemption.

● **AB 1208 (C. Calderon;**

D-Montebello) Court Inefficiency.

Creates uncertainty, inefficiency and unpredictability for litigants, further aggravating California's reputation as a bad place to do business, by decentralizing control of trial court funds.

● **SB 129 (Leno; D-San Francisco)**

Employee Safety Risk. Undermines employers' ability to provide a safe and drug-free workplace by establishing a protected classification for employees who utilize medical marijuana.

● **SB 237 (Wolk; D-Davis) Climate**

Change Tax Increase. Increases costs and discourages job growth by implementing unlimited fees and taxes under a cap-and-trade system.

● **SB 242 (Corbett; D-San Leandro)**

Technology Sector Liability. Worsens California's reputation as a highly litigious state by exposing tech-sector employers to unlimited civil liability, and

creates an unworkable regulatory scheme with which Internet companies must comply.

● **SB 246 (De León; D-Los Angeles) Discourages Emission Reductions.**

Prohibits finding the most cost effective ways to reduce emissions, creates uncertainty and significantly increases business costs by imposing new and excessively burdensome requirements on the development and use of compliance offsets in a cap-and-trade program under AB 32.

● **SB 653 (Steinberg; D-Sacramento)**

Multiple Tax Increases (see SBX1 23 in "New 'Job Killer' Bills" section on Page 8).* Creates uncertainty by providing 58 counties and over 1,000 school districts, subject to voter approval, the authority to impose and/or increase a tax on all products and services.

● **SB 761 (Lowenthal; D-Long Beach) Regulatory Burden.**

See 'Job Killer': Page 8

CalChamber Business Summit

Chevron CEO Urges Businesses to Secure State's Future by Making Economy Grow

The only way to secure California's future is through broad-based, sustained economic growth, John S. Watson, chairman and CEO of Chevron Corporation, said at the California Chamber of Commerce Business Summit last week.

A California native, Watson said the state has rarely faced a bigger challenge than right now.

"We've had hard times before—with deep recessions and budget troubles," Watson said. "But most of us sense that this time is very different."

Job Flight

The state is losing high quality jobs to other states and with it, California is losing the drive and ability to do great things, Watson warned. California used to be a magnet for investors, but now the state is competing for business capital with other states. "When 84 percent of business owners say that they wouldn't locate in California if they weren't here already, you know you've got big problems," Watson said.

Using Chevron as an example of the business climate in California, Watson estimated that the company incurs an annual, incremental tax cost of up to \$7,000 per employee in California compared to Texas. The tax burden and cost of doing business in California drives out an average of five businesses per week, Watson said.

Job Creation

To face the problem of job flight, Watson stressed the need to allow free enterprise to "do what it does best" by innovating and creating jobs to get the state growing again.

California should not solely focus on creating jobs in the technology and energy sectors. The state needs a process that will sustain growth in all sectors, especially in manufacturing, Watson said.

In the last decade, California has lost nearly 600,000 manufacturing jobs. While some of the jobs lost were due to efficiency and productivity gains, the net loss due to job migration out of state has



Photo by Megan Wood

John S. Watson

been significant, Watson said.

Manufacturing jobs are high-quality jobs that in 2007 paid an average wage of \$66,000 per year, which was well above the national average.

"No matter how well we might be doing in the technology or service industries, we have to maintain a strong, high-value manufacturing base," Watson said. "Otherwise, our economic troubles will only get worse, leaving a hollowed-out California economy, and losing the high-paying, middle class jobs that no state should ever surrender to others."

Watson encouraged the business community to make sustained broad-based economic growth a reality.

"Stay informed. Get engaged. Help move the California Chamber's agenda forward in any way you can," Watson told his audience.

Regulatory System

One of the reasons it is tough to do business in California is its complex system of regulations, which increases the cost and uncertainty of doing business within the state, Watson said.

Chevron planned to modernize its

Richmond refinery with new machinery and technology to improve operations and reduce emissions. The project represented a capital investment of nearly \$1 billion and at its peak would have provided more than 1,000 construction jobs. However, the original permitting process, which in some states would be months, took four years, Watson said. When the permit was finally issued, a lawsuit ensued.

The project is now at a standstill, but the company has reapplied for a new permit for a revised project. It has now been six years since Chevron's first application; meanwhile capital investment and 1,000 workers are both on the sidelines, Watson commented.

Within the energy sector, Watson pointed to AB 32, the Global Warming Solutions Act that seeks to reduce the state's carbon emissions to 1990 levels, or 30 percent from 2008 levels. The legislation's goal, however, will require solutions beyond the capabilities of many of today's technologies, Watson added.

The only certain outcome of AB 32 is that it will increase the cost of energy, he said.

"For energy-intensive industries like refining, if California goes it alone, such demanding regulations will ultimately make it unprofitable to operate," said Watson.

Meanwhile, Californians will continue driving and the state will still be consuming products made by energy-intensive businesses. Therefore, it is not a far-fetched scenario that the state will be importing gasoline from China or India, he said.

Watson clarified that the state must not abandon regulatory oversight of the environment. California needs to find a balance—one that enforces rational oversight of business and also looks for ways to actively promote economic growth, he said.

Regardless of the state's current challenges, Watson remains a believer in California and its potential.

"If we can just get things right here, then California can again show the way for the rest of the country," he said.

CalChamber Business Summit

Budget Perspectives from Legislative Analyst, Political Columnist

Photos by Megan Wood



Legislative Analyst Mac Taylor (left) explains the history of California's budget crisis at the CalChamber Business Summit on June 1. Next at the podium was political columnist Dan Walters, to present what he called "the dollars and nonsense of what's going on in the Capitol."

Oxnard, Riverside Chambers Earn Political Partnership Honors

The Greater Oxnard Chamber of Commerce and the Greater Riverside Chambers of Commerce received the California Chamber of Commerce Political Partnership Award on June 1.

● Nancy Lindholm, president/CEO of the Greater Oxnard Chamber, accepted the award on behalf of her chamber. The award recognized the chamber's assistance with a highly contested 2010 primary election for Republicans in Assembly District 37.

Early endorsements by the Greater Oxnard Chamber and CalChamber helped boost candidate Jeff Gorell (Camarillo) to victory in the Republican primary. Gorell won the general election and was sworn into office in December.

He currently is on military leave, serving as a Naval intelligence officer in Afghanistan.

● Cindy Roth, president/CEO of the Greater Riverside Chambers, accepted the award on behalf of her chamber, which has been a significant participant in JobsPAC, the CalChamber co-chaired employer political action committee that



Nancy Lindholm



Cindy Roth

supports pro-business candidates running for open legislative seats.

The Greater Riverside Chambers also helped present the fall post-election retreat of the CalChamber Public Affairs Council at the Mission Inn Hotel & Spa in Riverside. The gathering offered insider insights on the 2010 elections to help attendees make informed policy and political decisions in the current legislative session.

Staff Contact: Rob Lapsley

Sleep Train Executive Shares Enthusiasm for Giving Back to Community



Dale Carlsen, president of Sleep Train Inc. and vice chair of the Sacramento Host Committee, credits his company's success to working with "great people." He believes in giving back to the communities where Sleep Train does business, including a program offering assistance to foster children.

CalChamber Business Summit

Political Pollster/Communications Expert Offers Insights on Effective Communication

Dr. Frank Luntz, internationally recognized communications expert, political pollster and bestselling author, presented insights on the sentiments and desires of Americans at the California Chamber of Commerce Business Summit on June 1.

Luntz used humor and diagrams to illustrate key messages as he moved among the seated guests, intermittently asking questions of audience members.

During his presentation, Luntz revealed that Americans feel they are less free now than in the past and don't feel the American dream is alive.

Moreover, about half of Americans say the best times are behind them. Although most Americans feel they are better off than their parents were, most feel that their children will be worse off than they currently are.

At the moment, Americans are shouting for stability and opportunity, Luntz said. And public confidence in government and corporations is vanishing.

Communication

To work against this distrust, Luntz stressed the importance of effective communication. Oftentimes executives create a disconnect with the public, hiding behind podiums and prepared speeches, he said.

Instead, Luntz suggested executives interact with the public and their audiences by moving around and discarding written speeches.

Luntz also encouraged chambers and businesses to think about what marketing graphics or images they are sending out to their target audience.

For example, Luntz said the image that makes Americans feel good about education is a child in a classroom, with hand eagerly raised. On the other hand, a photo of a child with his head down on his desk sends a negative message, Luntz commented; it gives the sense that the child is bored and disengaged from the classroom.

Negative/Positive Phrases

Along this same vein, phrases or words



Photo by Megan Wood

Dr. Frank Luntz

also can have a negative or positive impact on people. Luntz asked the audience to consider "oil drilling" versus "energy exploration." Although most Americans are against more oil drilling, he said, they are in favor of energy exploration.

Similarly, the words a company uses can change the perceptions about it. Luntz encouraged the use of phrases such as "no excuses," "I get it," "the simple truth" and "if you remember only one thing," to effectively communicate and ensure that the audience listens and remembers what is said.

For example, he said, when the phrase "if you remember only one thing" is used, most audiences will remember what

is said in that sentence.

Other phrases Luntz suggested using included: "let's get it done," which shows that the speaker understands and is working toward a solution; "no fine print," which shows that what is said is not misleading or false; "imagine," which allows the listener to consider how life can be different and allows the speaker to paint vivid pictures of how it can be; and "accountability," which demonstrates that the speaker can provide measurable results.

Luntz' latest book, released in March, is *Win: The Key Principles to Take Your Business From Ordinary to Extraordinary*.

Asia-Pacific Trade Matters Get Attention at CalChamber Gatherings

Ambassador Kurt Tong, U.S. senior official for Asia-Pacific Economic Cooperation (APEC) in the U.S. State Department, presented an overview of U.S. objectives at a June 1 international forum presented by the California Chamber of Commerce Council for International Trade.

Later that evening, Tong fielded questions from CalChamber Chair S. Shariq Yosufzai at the dinner gathering of the CalChamber Board of Directors.

APEC was formed in 1989. It serves as a multilateral forum in which Asian and Pacific economies can solve economic problems and cooperate in developing key economic sectors.

The 3rd Senior Officials' and related meetings will be held in San Francisco as part of U.S. leadership and hosting of the APEC forum. APEC is the first high-level international government meeting for either San Francisco or California to bid on and win in more than a decade.



Ambassador Kurt Tong discusses upcoming meetings of the Asia-Pacific Economic Cooperation (APEC) at an international forum presented by the CalChamber Council for International Trade, chaired by Susan Corrales-Diaz (left). At right is Gary J. Goldberg, council vice chair.

Integral to bringing the APEC meetings to San Francisco was the public-private statewide organizing committee, CalAPEC. CalAPEC is led by San Francisco businessman Paul Oliva with the support of the CalChamber, Bay Area Council Economic Institute, and other regional business leaders.

Collectively, the 21 economies of APEC, which touch the Pacific Ocean,

represent a large consumer market—nearly half the world's population, nearly half of all world trade and more than \$31 trillion in economic output.

The APEC economies are: Australia, Brunei Darussalam, Canada, Chile, People's Republic of China, Hong Kong, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, Republic of the Philippines, Russia, Singapore, Chinese Taipei, Thailand, United States and Vietnam.

In 2010, the U.S. exported more than \$774 billion to the countries of APEC. California exported approximately \$100 billion to APEC in 2010, 13 percent of the national total. Of this, more than 30 percent consisted of computer and electronics (\$30.3 billion) and 20 percent of the total was machinery and transportation equipment (\$21 billion).

More information on APEC is available at www.calchamber.com/APEC.

Staff Contact: Susanne Stirling

'Job Killer' Bills Fail to Move



From Page 4

Creates an unnecessary, unenforceable and unconstitutional regulatory burden on Internet commerce by indirectly regulating virtually all businesses that collect, use or store information from a website.

New 'Job Killer' Bills

● **SBX1 23 (Committee on Budget and Fiscal Review)** was introduced on June 2 because SB 653 (Steinberg; D-Sacramento) failed to pass its house of origin on June 3. SBX1 23 is a mischaracterized "budget trailer bill" that is not necessary to implement the state budget. Rather, this bill creates

uncertainty for taxpayers by providing 58 counties, over 70 community college districts, and over 1,000 school districts, subject to voter approval, the authority to impose and/or increase a local tax on all products and services.

● **SB 111 (Yee; D-San Francisco) New Lawsuits Against Small Business.** Identified as a "job killer" bill on June 1, the bill could result in new shakedown lawsuits against business establishments by making it a strict liability violation of the Unruh Civil Rights Act, subject to minimum damages of \$4,000, if a business limits the use of a customer's language, even if unintentionally. The bill is in the second house, set for hearing in the Assembly Judiciary Committee on June 14.

For updates on the remaining "job killer" bills, visit www.calchamber.com/jobkillers.

Staff Contact: Marc Burgat

Seminars/Trade Shows

From Page 2

September 21, Long Beach. (800) 514-6407.

Labor Law

How to Conduct Effective Performance Evaluations. CalChamber. June 20, On Demand. (800) 331-8877.

How to Conduct Workplace Investigations. CalChamber. July 14, Webinar; July 25, On Demand. (800) 331-8877.

Determining Independent Contractor Status. CalChamber. September 8, Webinar; September 19, On Demand. (800) 331-8877.

Exempt—When You've Properly Classified. CalChamber. On Demand. (800) 331-8877.

How to Hire Employees and Reduce Liability. CalChamber. On Demand. (800) 331-8877.

Workplace Safety

Heat Illness Prevention—How to Comply with New Rules. CalChamber. On Demand. (800) 331-8877.

Remarks by S. Shariq Yosufzai

Unified Approach Can Help Private Sector Lead California Economic, Job Growth

Following are remarks presented by 2011 California Chamber of Commerce Chair S. Shariq Yosufzai at the Sacramento Host Breakfast on June 2. Yosufzai is vice president of Chevron Corporation.

Thank you for that very kind introduction, Dan [Cole]. On behalf of the Chamber, ladies and gentlemen, and our more than 15,000 members, I'd like to thank Dan and the Host Committee for organizing this event. We're greatly privileged to have Governor Brown with us this morning, and we appreciate his leadership and look forward to hearing his remarks.

Like all of you, I have a personal stake in our state's future. California has been my home for 10 years. Dale [Carlsen], unlike you, who was born in California, I was not born here, but I got here as soon as I could.

Idea of California

Compared to Dale and others, I am still considered a relative newcomer. California, and the idea of California, has had a prominent place in my thoughts for as long as I can remember. It has always represented opportunity; it has always represented achievement; to me, it has always represented excitement. It has been an aspirational destination because it has all the elements of a fulfilling life.

I've lived and worked in more than 35 countries and visited more than 80. As an immigrant and as an engineer pursuing an international career, I spent most of my life traveling, discovering new cultures and assimilating new situations.

I wouldn't trade any of those experiences. They enriched my understanding and prepared me to recognize—and I mean this sincerely—that nowhere else in the world will we find a quality of life that exceeds what we can discover right here in California. I'm proud to call it home.

As Dale has so wonderfully articulated, California is a most exceptional place. From the beauty of its geography, to the richness of its cultural amenities, California has it all.



Photo by Megan Wood

S. Shariq Yosufzai

California must grow its way out of this dilemma and the businesses of this state will lead that growth, if we have the right conditions.

On an economic basis, the state has natural strengths that provide the foundation for wide prosperity and unmatched opportunities.

These strengths—an outstanding system of higher education that is the model and the envy of other institutions around the globe, an exceptional climate, an aging but effective trade infrastructure, a large size, a well-educated workforce and the overall diversity of our economy—make California a natural powerhouse.

Clear-Eyed Strategy

No other state is holding higher cards than California, but it's time to start playing our hand wisely. We need a clear-eyed strategy to get our state back on top and the discipline to see it through.

I've worked around the world, most

recently in Singapore, but I've also worked in Houston, in Africa and Europe and Australia. And the one thing that I've found is a common denominator in each place with a thriving economy was that intention—both implicit and explicit—in supporting business growth and expansion.

Whatever your priorities might be, whatever your politics might be, the future of our state is at stake and that is a call that should summon us all to the challenge, and summon us in a united and collaborative spirit.

I believe that the attributes of our state and the leadership provided by Governor Brown to make the tough decisions will regain our global leadership position, but we cannot postpone action any longer. There is hard work ahead for everyone, and we must all come together as we re-discover the pathway to prosperity.

Unified Approach

Much of the work will fall on the shoulders of many of you here, the Governor, the legislators—but you are not in this alone. The scale of the problems confronting our state demands a practical, constructive, and most importantly, unified approach from all parties. We need to solve this together.

The private sector has a vital role. California must grow its way out of this dilemma and the businesses of this state will lead that growth, if we have the right conditions.

The good soil of sound fiscal and regulatory policies and the sunlight of economic opportunity can still lead to an amazing bounty of jobs and of prosperity.

The presence of so many of you today—almost 1,200—demonstrates that the business community is at the table and we stand ready to do our part as responsible stakeholders in the restoration of California's promise.

Basic Fiscal Solvency

As we all know, basic fiscal solvency is a bedrock requirement for a sound economy.

See Unified: Next Page

Unified Approach Can Help Private Sector Lead Economic, Job Growth

From Previous Page

When we pay more trying to unwind yesterday's decisions than we are investing in tomorrow, it's clear that spending restraint is among our most pressing needs.

California must emerge from the shadow of debt and our chronic overspending. We must make important steps to restoring accountability and certainty to the state.

Governor Brown's reputation as a leader willing to make the tough calls provides us all hope that he will impose new discipline on the current system.

Part of the problem is breaking down and through the sense of entitlement and complacency about our state's position in relation to our competitors.

For far too long, policy makers have ignored the economic competition that has lured businesses to other states and to other countries.

Our state can no longer rest on its laurels, relying on our natural advantages to offset the superior business climates others are creating.

We can win. But we will only succeed if we deserve to win.

'Humble Curiosity'

California's unemployment rate is hovering around 12 percent. New York—another state with a large population, but much fewer positive attributes—is about a third lower. That disparity means some humble curiosity is in order.

Those setting direction for the state should look around the country, determine what's working and adopt those policies here.

We need to reignite our business climate and restore our competitive advantages.

In so many ways, California has benefited from its openness to diversity, taking the best of all the cultures and traditions from around the globe, improving them, and making them our own.

We need to operate with the same sense of discovery in seeking to build a sound business climate.

In my mind—and I'm sure in all of yours—we see the day when things are no longer upside down—we hope to see California restored to its proper place, as the benchmark that others flock to study.

We need to follow Governor Brown's lead in working to restore order and fiscal responsibility. Many of the steps we need to take are already known.



Photo by Megan Wood

S. Shariq Yosufzai

Creating certainty for businesses will remove one of the biggest obstacles to economic growth.

Renewal Agenda

The Chamber's renewal agenda outlines an action plan to restore the biggest gaps in our business climate. The overarching goals are simple:

- Reducing the costs to employ people stemming from lawsuits and burdensome regulation.
 - Encouraging investments with a stable and fair tax system.
 - Rebuilding our trade infrastructure of roads, bridges, rail, ports and airports.
 - Delivering the world-class education that forms the backbone of a globally competitive workforce.
 - And bringing transparency and accountability to government at all levels.
- Achieving those goals will reassure the business community, it will provide certainty to investors and introduce the right conditions to support another golden age of California.

An important component will be rebuilding our manufacturing base. The manufacturing multiplier effect spreads benefits widely across an economy.

California retains its leading position in

the knowledge economy, but we should ask ourselves what is preventing cutting-edge products from being manufactured here?

I've seen what incentives and sound policies can achieve during my four years in Singapore, and there are a lot of colleagues and members of the diplomatic community from Singapore here today.

And they will tell you that Singapore is far from a low-cost market, yet targeted policies have helped Singapore attract flourishing sectors in pharmaceuticals, in manufacturing and biotech. That model will work here, too.

Keys to Recovery

The Chamber has identified a number of key economic facets of recovery, but in the interests of time, I'm going to focus on three that touch my business most directly.

- Let's start with education. It is central to our competitiveness. This is an area that is crying out for reforms, reforms that increase accountability and aspire to the type of achievements that we saw from our schools in Oakland that Governor Brown started.

As a technology company that produces energy, Chevron recognizes that STEM education—science, technology, engineering and mathematics—are all critical to our success and that of our home state.

- Affordable, reliable energy is another pillar of competitiveness. California is a long-standing leader in promoting energy efficiency, but a growing population and an expanding economy will require more energy.

We must ensure that the infrastructure is in place to deliver that energy when it is needed.

- Finally, adopting a comprehensive budget solution would send a powerful signal that California is once again reopened for business.

Creating certainty for businesses will remove one of the biggest obstacles to economic growth.

These steps are needed and we all need to come together and become committed to achieving them.

The California Chamber is prepared to stand behind and beside Governor Brown and all those who are committed to reclaiming California's economic strength and with it our legacy, our rightful legacy, of global leadership.

CalChamber Hosts Reception for Governor to Meet Consular Corps



(From left) CalChamber Chair S. Shariq Yosufzai and CalChamber President and CEO Allan Zaremberg welcome Governor Jerry Brown to a reception allowing members of the consular corps to meet with the Governor on June 1.



With the Governor following his remarks at the consular corps reception are (from left) Dr. Wenwa Akinyi Odinga Oranga, consul general of Kenya; Mary Jo A. Bernardo-Aragon, consul general of the Philippines and a member of the Los Angeles Consular Corps Executive Committee; and Eva Voisin, honorary consul general of Hungary. Earlier, Bernardo-Aragon greeted the Governor outside the reception room, along with Ambassador Nicolas Roncagliolo, consul general of Peru and dean of the San Francisco Consular Corps.

ALERT

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