

# ALERT

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## CalChamber Urges Support to Fund Pro-Jobs Candidates

*Easy to Contribute Via CAJobKillers.com*

The California Chamber of Commerce this week kicked off a new phase in its continuing effort to raise the resources needed to support campaigns for pro-business, pro-jobs candidates for office.

The CalChamber asked local chambers of commerce to share a video in which CalChamber President and CEO Allan Zaremberg calls for contributions to ChamberPAC through the *CAJobKillers.com* website.

### ‘Get Right People Elected’

“It’s time to stop complaining about what’s wrong with California and get the right people elected,” Zaremberg says in the video.



The June primary elections included a greater number of competitive races due to the CalChamber-supported and voter-approved reforms that assigned redistricting to a citizens commission instead of legislators and created the top two candidates open primary.

Approval of Proposition 28 on the June ballot reformed term limits to allow legislators elected for the first time this year to serve 12 years in either the Senate or the Assembly.

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## Job Creators Urge Action on Bay Delta Conservancy Plan



Water is a critically important policy issue for California, and the time has come for decisions to be made on how to improve the state’s infrastructure, and preserve water supply and water quality for California.

Existing and new businesses need a stable supply of water, and need to be protected from the threats of shortages, rationing, and other consequences of inaction.

Since 2006, the formal Bay Delta Conservancy Plan (BDCP) process has been underway, at a cost of more than \$150 million, to conduct comprehensive and detailed analysis on how best to plan for the future.

### CalChamber Urges Action

Last week, the California Chamber of Commerce and a number of other organizations sent a letter to U.S. Secretary of the Interior Ken Salazar and California Secretary of Natural Resources John Laird, urging action on the BDCP in order to reach the fundamental goals of water reliability, Delta restoration, job creation and growth in California’s economy.

Without such action, California will not achieve the needed environmental

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## Bill Increasing Energy Costs Passes Committee



A California Chamber of Commerce-**opposed** bill that increases energy costs on consumers and businesses passed a Senate policy committee this week.

**AB 1186**

**(Skinner; D-Berkeley)** allocates funds that should be used to mitigate ratepayer impact from the state’s cap-and-trade program to fund unnecessary and duplicative energy efficiency programs.

The bill will direct 10% of the investor-owned utility auction revenue proceeds from the state’s cap-and-trade program toward public school energy efficiency projects.

### Increases Utility Rates

The CalChamber and a coalition of organizations representing farmers, food processors, manufacturers, metal workers and taxpayers oppose AB 1186 because it will increase utility rates.

Although increasing energy efficiency in schools is a laudable goal, the coalition states that it would be unfair to impose a duplicative burden on ratepayers for programs they already fund. California ratepayers pay among the highest energy costs in the nation, and the cap-and-trade program will result in even higher energy prices for consumers and businesses.

This cost increase will be on top of the price increase ratepayers will incur as a result of the implementation of various other

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Proposition 25 Allows Late Budget: Page 3

## Labor Law Corner

# Failure to Pay Wages When Due May Lead to Liquidated Damages Claim



**Barbara Wilber**  
HR Adviser

*I have received a Notice of Conference from the Labor Commissioner that includes a claim for liquidated damages for nonpayment of minimum wages. I don't understand because we have always paid hourly wages far above minimum wage.*

Effective January 1, 2012, AB 240 amended Labor Code sections 98 and 1194.2, authorizing the Labor Commis-

sioner to recover liquidated damages on behalf of employees who file claims alleging nonpayment of minimum wages.

Although an employer normally pays wages above minimum wage, failure to pay wages when due may actually result in nonpayment of at least minimum wage and is, therefore, subject to a claim for liquidated damages.

Before this change, liquidated damages could be recovered only as part of a court action, but AB 240 clarifies that employees may also pursue these damages through the administrative process. Consequently, employers will be seeing this issue added to a claim notice received from the Labor Commissioner.

### Wage Situations

Wage payments such as vacation, reporting time, and premium pay for missed meal periods do not give rise to these damages. The statutes apply only to nonpayment of wages that result in payment of less than the minimum wage.

The Division of Labor Standards Enforcement may possibly pursue a claim for damages in the following wage situations:

- A nonexempt salary that does not compensate for all hours at the minimum wage.
- Nonpayment of overtime for a nonexempt salaried employee. Since a nonexempt salary compensates for only eight hours per day and 40 hours per week, an employee remains unpaid for those hours.
- Piece and flat rate payments that do not equal minimum wage for all actual hours worked.
- Payment of an hourly wage below the state minimum.
- Failure to pay wages on payday.

- Failure to pay final wages timely.

Section 1194.2 provides that an employee who receives less than the lawful minimum wage is entitled to damages in an amount equal to the unpaid minimum wages plus interest.

For example, if an employee works 40 hours and receives payment for only 35 hours at \$10 per hour, he/she would have a claim for five hours of unpaid wages at \$10/hour plus liquidated damages for five hours at the minimum wage of \$8 per hour, plus interest.

### Good Faith Defense

The section also provides the Labor Commissioner with discretion in applying the damages. If the failure to pay was in good faith and the employer had reasonable grounds for believing that the act or omission was not a violation, the Labor Commissioner may decline to award damages or reduce the amount of damages.

Although the section allows a good faith defense, it may be difficult to meet the burden of proof at a hearing. Alleging that the violation was unintentional or that you thought you were complying with the law and were unaware of the violation will not suffice.

Before you have to respond to a claim filed with the Labor Commissioner, review your pay practices to ensure that employees receive minimum wage for each and every hour worked.

*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](http://www.hrcalifornia.com).*

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## CalChamber-Sponsored Seminars/Trade Shows

More information at  
[www.calchamber.com/events](http://www.calchamber.com/events).

### Labor Law

Hiring and Onboarding Basics Webinar.  
CalChamber. July 19. (800) 331-8877.

Conducting Effective Performance  
Appraisals Webinar. CalChamber.  
August 16. (800) 331-8877.

Employee Discipline Webinar.  
CalChamber. September 20.  
(800) 331-8877.

FMLA/CFRA Webinar. CalChamber.  
October 18. (800) 331-8877

### International Trade

Webinar: Temporary Exports.

*See CalChamber-Sponsored: Page 6*



# Prop. 25 Doesn't Ensure Accountability, Allows Late, Incomplete Budgets



Some day the Legislature will pass a balanced, gimmick-free budget that will carefully weigh the competing priorities of a diverse state and judiciously determine how to

address them.

While we're waiting, we'll be left with an on-time budget.

## Oversold Promise

Proponents of Proposition 25, the 2010 ballot measure that reduced the legislative vote threshold for the state budget to a simple majority, didn't promise much, but even then they oversold it.

They claimed that this measure would bring about "responsible budgeting and fiscal responsibility." And they were right, if by "responsible" you mean billions in phantom revenues (2011 budget) or billions in one-time solutions like loans, spending postponements or fund shifts (2012 budget).

## Loophole

They promised to punish the

Legislature and dock its pay if they didn't pass an on-time budget. But they never said the budget had to be balanced, or free of gimmicks or even complete. They didn't say that the Governor even had to sign it in order for them to get paid.

As *The Sacramento Bee's* June 21 editorial put it: "Proposition 25 was worded so loosely that lawmakers can bust deadlines on key aspects of the budget and get away with it."

State Controller John Chiang tried to read all sorts of accountability into Proposition 25, but a judge in effect told

to-be-approved seven-year, \$40 billion tax increase, maintains deep cuts in higher education and the judiciary, and takes credit for—but does not enact—reductions in the state payroll. So much for protecting taxpayers and services—but the budget hit the deadline, so the Legislature passed the "accountability" test.

## Major Decisions Incomplete

What's more, budget negotiations are hardly complete. Left undone are major decisions on welfare costs, tax collections and property tax sharing that were part of the Governor's original proposal.

Proposition 25 certainly fixed the "problem" its advocates identified—a chronically tardy state budget. But it did nothing to create a better or smarter budget.

Indeed, the new constitutional authority bestowed by Proposition 25 actually creates permission for the majority party to postpone important fiscal decisions pending future, hoped-for good news. In short, Proposition 25 gave official sanction to late budgets, in fact if not in name.

*Loren Kaye is president of the California Foundation for Commerce and Education, a nonpartisan, nonprofit corporation that functions as a "think tank" for the business community in California and is affiliated with the California Chamber of Commerce.*

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## Guest Commentary By Loren Kaye

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him to read the plain words and step aside. Mr. Chiang hasn't appealed that decision, so Proposition 25 will never become a plausible threat to legislators' pay.

Proponents asserted that Proposition 25 would reform "California's badly broken state budget process, so taxpayers, schools and services are protected, while legislators are held accountable if they fail to pass the budget on time."

Let's see, this budget counts on a yet-

## Bill Increasing Energy Costs Passes Committee

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greenhouse gas-related measures such as the Renewable Portfolio Standard (RPS), Low Carbon Fuel Standard (LCFS), and the California Solar Initiative (CSI). In an effort to mitigate ratepayer impact, it is imperative that all revenues from the utility auction be returned to ratepayers so as to offset the cap-and-trade program costs.

## Unnecessary Program

California investor-owned utility customers already pay \$1.3 billion a year into energy efficiency programs. Numerous other programs at the local, state and federal levels specifically provide funding for retrofitting school buildings, making AB 1186 unnecessary and duplicative.

In addition, the Office of Public School Construction under the State Allocation Board administers a \$35 billion voter-approved program that provides funding for school building projects at the state level. A myriad of other private grants and federal programs fund energy-saving upgrades at schools.

These existing programs provide a more appropriate funding source for California schools that seek to retrofit inefficient classrooms.

## Premature

The bill jumps ahead of the current California Public Utilities Commission (PUC) proceeding on how revenues generated from the utility auction should

be used. The PUC is expected to issue its decision on this issue later this summer.

## Key Vote

AB 1186 passed the Senate Energy, Utilities and Communications Committee on June 19, 8-3:

**Ayes:** Corbett (D-San Leandro), De León (D-Los Angeles), DeSaulnier (D-Concord), Padilla (D-Pacoima), Pavley (D-Agoura Hills), Rubio (D-East Bakersfield), Simitian (D-Palo Alto), Wright (D-Inglewood).

**Noes:** T. Berryhill (R-Modesto), Emmerson (R-Hemet), Fuller (R-Bakersfield).

No vote recorded: Kehoe (D-San Diego), Strickland (R-Thousand Oaks).

**Staff Contact:** Brenda M. Coleman

# CalChamber Workshop Offers Insights, Tools for Effective Political Action in California

*Focus on Electing Pro-Business, Pro-Economic Recovery, Pro-Jobs Candidates to Office*



Bradley Hertz (left) partner, Sutton Law Group, and Brian T. Hildreth, partner, Bell, McAndrews & Hiltachk, LLP, explain the legal issues and requirements associated with a political action committee (PAC).



CalChamber President and CEO Allan Zarembeg focuses on how businesses can change the future of California for the better by pooling resources to help pro-jobs candidates for office in the 2012 elections at the public affairs workshop on June 18 sponsored by the CalChamber Public Affairs and Local Chamber Relations departments



Lynda Cassady, regional director of the California Fair Political Practices Commission (FPPC), explains how to interact with her agency.



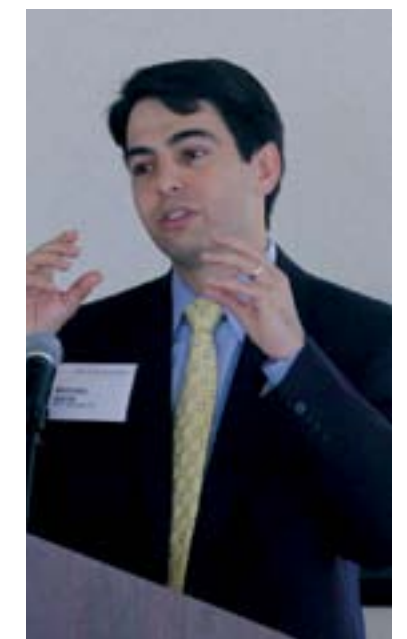
Assemblyman Bill Berryhill (R-Ceres) comments on policy and politics in the State Capitol.



Sharing 'First-Hand PAC Experiences, Successes and Challenges' are (from left) Bettie Cosby, Citrus Heights Chamber; Paul Junge, Oakland Metro Chamber; and Sharon Silva, Turlock Chamber. At podium is moderator Nancy Lindholm, CEO, Oxnard Chamber.



Rick Baken (left), director of investigations, and David Doud, president/CEO, both with Candidate Check, describe how gathering background information on candidates can be useful for both candidates and PACs.



Presenting a recap of the June 6 primary election results and offering a forecast of what will happen in November are (from left) JobsPAC consultants Rob Stutzman and Steve Glaser, along with Michael Davis, vice president of the Business Industry Political Action Committee (BIPAC).

Photos by Megan Wood

## Job Creators Urge Action on Bay Delta Conservancy Plan

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improvements in the Delta, there will be continued risk of water disruptions for communities across the state, new construction and development projects could be derailed due to the lack of reliable water, and California could lose new industry investments.

What has been outlined in the BDCP will facilitate habitat restoration and water reliability. It will be paid for by the users that will benefit most directly. The construction will create more than 129,000 jobs in the areas that have been hit hardest by the recession.

### Critical for Economy

CalChamber President and CEO Allan

Zaremborg believes water is a critical component in California's economic engine:

"Without infrastructure improvements, all kinds of new development in our state will be at risk due to the possibility of disruptions. We could lose jobs due to a lack of a reliable, clean water supply," Zaremborg said.

According to Western Growers President and CEO Tom Nassif, "California's farmland is one of our state's most precious resources and a large portion of it is in jeopardy of being lost unless federal and state leaders successfully complete the Bay Delta Conservation Plan.

"State and federal officials have

provided the determined leadership needed to reach this critical point. We are counting on them now to make the tough decisions needed to achieve the co-equal goals of water supply reliability and Delta ecosystem restoration."

Danny Curtain, director of the California Conference of Carpenters, added, "It is critically important for federal and state officials to quickly reach consensus and move forward with the Bay Delta Conservation Plan.

"This plan must include the co-equal goals of water supply reliability and Delta restoration. Reliable water and a healthy environment will provide economic viability for all Californians."

**Staff Contact: Valerie Nera**

## CalChamber Urges Support to Fund Pro-Jobs Candidates

*From Page 1*

At least half the seats in the 80-member Assembly are going to change hands this year due to existing term limits and competitive redistricting.

Due to this combination of factors, at least half the candidates elected to the

Assembly this year could be incumbents for the next 12 years.

### Pooling Resources

"Your representative may very well be a good pro-business vote, but, obviously, there aren't enough of them,"

Zaremborg writes in an email to chamber leaders. "That's why we need to pool our resources and be successful where the opportunities exist."

The video and contribution link are available at [CAJobKillers.com](http://CAJobKillers.com).

**Staff Contact: Cathy Mesch**

## CalChamber-Sponsored Seminars/Trade Shows

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U.S. Department of Commerce. July 27. (202) 482-4422.  
California Pavilion at Chile-Expo Hospital 2012. Los Angeles Area Chamber of Commerce and CalChamber. June 27-29, Santiago, Chile. (213) 580-7570.  
Food Taipei 2012. Taiwan Trade Center, San Francisco. June 27-30, Taiwan. (408) 988-5018.  
2012 India Trade Conference. Port of Los Angeles, U.S. Commercial Service, Quanta Consulting. June 28, Cerritos. (949) 480-9466.  
California Pavilion at Farnborough 2012. U.S. Department of Commerce. July 9-15, Farnborough, England. (949) 660-7105.  
Intersolar-North America. Northern California Regional Center for International Trade Development (CITD). July 10-12, San Francisco. (916) 563-3222.

Webinar: Satisfying International Product Certification. U.S. Department of Commerce. July 11. (202) 482-4422.  
Webinar: Website Optimization. U.S. Department of Commerce. July 25. (202) 482-3787.  
Webinar: New INCO Terms. U.S. Department of Commerce. August 8. (202) 482-4422.  
Export Regulations Seminar. Bureau of Industry and Security, Southern California Regional District Export Council, and U.S. Commercial Service in Southern California. August 8-9, Los Angeles.  
Hong Kong Food Expo. Hong Kong Trade Development Council. August 16-20, Hong Kong, China. (310) 973-3175.  
CA Cleantech Company Trade Mission to China. El Camino College CITD. August 20-September 2, China. (310) 973-3161.

Access China. World Trade Center San Diego. September 5-13, Xiamen, Nanjing, Changzhou, and Shanghai, China. (619) 615-0868, ext.118.  
Pan African Global Trade Conference. Africa-U.S. Chamber of Commerce. September 6-7, Carson. (626) 321-7041.  
Green Construction Trade Mission to Brazil. Bay Area CITD. September 9-15, São Paulo and Rio de Janeiro, Brazil.  
Expoolimentaria 2012. Exporters Association, Ministry of Agriculture, Ministry of External Relations, and Prom Peru. September 19-21, Lima, Peru.  
Trade Mission to the UK. U.S. Commercial Service. October 15-17, London.  
Eco Expo Asia 2012. El Camino CITD. October 26-30, Hong Kong, China. (310) 973-3132.

*Profiles in Trade*

# Company Connects California, China Through Environmental Technology

California Chamber of Commerce member McWong Environmental and Energy Group (MEEG) has grown to become one of the premier partners for many industries in China, and actively promotes advanced products and technologies from the United States.

The company, which is headquartered in Sacramento, specializes in providing design, technology, and equipment for wastewater treatment and sludge treatment for both municipal and industrial applications.

## U.S.-China Cooperation

Over the years, MEEG has been called upon to meet with leaders, host delegations to China, and form conferences within the state to discuss environmental and economic partnerships.

In 2005, MEEG President and CEO Margaret Wong accompanied Governor Arnold Schwarzenegger on a tour of equipment the company supplied to Baosteel, the largest steel plant in China and the third largest producer in the world. MEEG has worked closely with Baosteel on many wastewater treatment projects over the years.

In remarks at Baosteel, Governor Schwarzenegger called the wastewater treatment operation there “a perfect example of how California and China can work together.”

Two years later, MEEG was again chosen to host a delegation to China, this time for California Lieutenant Governor John Garamendi.

The company has also been sought on numerous occasions for its input on environmental matters. In 2008, Wong and Maureen Gorsen, director of the California Department of Toxic Substances Control, met with the director of China’s Environmental Science Academy Soil Research Institute,



Margaret Wong, McWong Environmental and Energy Group president, accepts the President’s ‘E’ Award for Exports from U.S. Commerce Secretary John Bryson.

Dr. Li Fa Sheng, and explained U.S. concepts like “cradle to cradle” and “green chemistry initiative.” Wong and Gorsen also met with the ministry of the Poison Substances Department and the minister of the International Cooperation Department for the Beijing Municipal Environmental Protection Bureau to further develop an arrangement for cooperation between the California Environmental Protection Agency and the Beijing Environmental Protection Bureau.

In 2010, the general manager of MEEG in Shanghai, Alex Ping Zhang, was invited by the general counsel of the U.S. Environmental Protection Agency, Scott Fulton, to participate in the American Government Environmental Delegation to discuss cooperation and environmental policies.

The company was recently chosen to begin working on the China Energy Commission, and the California Environmental and Energy Exhibition & Trade mission to China, an annual event which highlights new technologies and

products in the environmental and energy fields.

## Business Efforts

In May, MEEG received the Presidential “E” Award for Exports at the White House, an award that is considered the highest recognition any U.S. entity may receive for making a significant contribution to the expansion of U.S. exports.

MEEG received the award for demonstrating a substantial increase in the volume of exports over a four-year period, which is a major criterion for the award.

The company has also signed wastewater and sewage contracts for large projects with some of the largest companies in China—this includes a contract on the \$17 million Hua Yi Chaohu Water and Wastewater Treatment Plant project.

## Philanthropic Efforts

In addition to helping bring cooperation between the United States and China, MEEG participates in charity causes throughout China, contributing to the Qingpu Democratic School.

In 2004, the company promoted the first National Basketball Association (NBA) China Games, between the Sacramento Kings and Houston Rockets. Later, in 2007, MEEG welcomed international basketball player Vlade Divac to China. The company regularly organizes basketball camps for the Divac Children’s Foundation.

When a magnitude 8.0 earthquake hit Wenchuan County in the Sichuan Province in 2008, MEEG organized a fundraiser and company staff volunteered their time to help earthquake victims.

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*“Profiles in Trade” is a regular feature highlighting the international activities of CalChamber member companies.*



## Updated for New Meal and Rest Break Rules

CalChamber's 2012 *California Labor Law Digest* provides guidance and best practices on complying with the California Supreme Court's recent *Brinker* decision. The Court's ruling requires employers to examine meal and rest break policies and strengthen timekeeping practices.



Book, CD or Download:  
\$127.99 Until 6/30/12

Employers and HR professionals rely on the *Digest* to better understand California's complex employment laws. Now in its 52nd edition, this comprehensive best seller:

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Save 20% when you buy the 2012 *California Labor Law Digest* by 6/30/12.

Use priority code LLDA.

Preferred and Executive members receive this offer in addition to their 20% discount.

**ORDER** online now at [calchamber.com/LLD](http://calchamber.com/LLD) or call (800) 331-8877.

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