Voters, CalChamber Agree

Vote Protects Redistricting, Rejects Food Labeling, Tax

California voters overwhelmingly passed California Chamber of Commerce-supported Proposition 40, the referendum on the Senate district maps drawn by the Citizens Redistricting Commission. Voters also rejected Proposition 37, the flawed food labeling mandate, and the Munger tax initiative, Proposition 38.

**Proposition 40**

California voters have voted three times in the last four years to have district maps drawn by an independent commission, not the politicians. CalChamber President and CEO Allan Zaremberg signed the ballot arguments in support of Proposition 40 in August 2012. The CalChamber has long believed that fair redistricting is the key to meaningful political reform. This is why the CalChamber co-chaired the campaign in support of Proposition 11, the 2008 initiative to allow the citizens of California—rather than the legislators—to draw political districts, thereby eliminating the inherent conflict of interest in the system.

Proposition 40 overwhelmingly passed with 71% support.

The June 2012 primary election was the first to reflect the redrawing of districts that will be in place through 2020. The June primary also was the first to implement CalChamber-supported and voter-approved Proposition 14, the top-two open primary system. Because the top two vote getters in the primary, regardless of party, advanced to the November general election, the open primary has helped create more competitive races and increased opportunities to elect more pro-jobs legislators.

CalChamber-Supported Candidates Win

Business-friendly Democrats backed by the California Chamber of Commerce or CalChamber-affiliated JobsPAC are among the winning Assembly candidates in the general election this week.

**JobsPac-Supported**

Candidates supported by JobsPAC in the June primary who went on to victory this week were:

- Orange County Clerk/Recorder Tom Daly, who won 65.9% of the vote in Assembly District 69.
- Longtime San Fernando Valley resident Raul Bocanegra, who won 58.5% of the vote in Assembly District 39. Bocanegra is a former aide to past Los Angeles City Council President Alex Padilla.
- Merced public affairs firm manager Adam Gray, who won 56.1% of the vote in Assembly District 21.

Court Agrees with CalChamber: Rounding Policies OK in California

Last week, the 4th District Court of Appeal issued an employer-friendly opinion by concluding that, under California law, employers may round employee timecard entries to the nearest tenth of an hour. This ruling is particularly important because there is no statute or prior case law that expressly authorizes this common practice, which is permissible under federal law and followed by California’s labor agency.

Due to the need to provide clarification on the rounding issue for California employers, the California Chamber of Commerce urged the appeals court review of the matter last year.

Timekeeping System

In the case, Silva v. See’s Candy, See’s used a timekeeping software system to keep track of its employees’ working hours. The software system required employees to “punch” into the system at the beginning and end of their shift. Adjustments to the timecards were made only in accordance with two See’s policies: (1) the nearest-tenth rounding

**Inside**

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Labor Law Corner
What to Do When Non-English Conversations Spark Complaint

In California there is a law that prevents most employers from requiring only English be spoken at work unless it is a business necessity. Government Code Section 12951 applies to employers with five or more employees with the exception of a nonprofit religious association or corporation not organized for profit.

An English-only rule is permitted only when it is absolutely necessary for the safe and efficient operation of the business and there is no other alternative, such as where dangerous equipment is being used and clear communication about that equipment is essential to employee safety.

**Discrimination Possibility**

The situation you describe is generally not one of business necessity to require English only. It may be that the employees are more comfortable speaking in their native language, a language other than English. There may also be a more subtle form of discrimination on the basis of race or nationality, which may be the reason the employee feels excluded from conversations.

All employers are required to have a policy against harassment/discrimination which informs employees that they have the right to be free of harassment/discrimination at work. That policy should be clearly communicated to employees and enforced to ensure that all employees feel like they are not being discriminated against or harassed because of their nationality or race.

Often when employees do not understand what is being said, they assume that other employees are talking badly about them and do not want them to know what is being said. They also may feel like they are being treated differently because they are excluded.

**Investigate Complaint**

In this situation, the employer needs to investigate the complaint to determine if harassment or discrimination has occurred and then take corrective action.

In an investigation, the employer should talk to all parties involved and any witnesses. Although it may not have been the intent of the employees to harass or discriminate against the new employee, it is important to let those employees know that the new employee feels excluded.

Often, employees are not aware that other employees may feel that they are being left out. If the conversation was
Rounding Policies OK in California

See’s was able to demonstrate that its nearest-tenth rounding policy went up and down and, that the policy, over time, did not result in a loss to the employee. In addition, See’s was able to present evidence that employees knew about the rounding and grace period policies. Because See’s policies were clear and understood by its employees and because See’s could show that the policies did not result in its employees being underpaid, See’s prevailed in the action.

CalChamber Involvement

CalChamber involvement in the case dates back to October 2011, when the CalChamber filed a letter with the court urging review of the trial court’s erroneous decision that the practice of rounding employee time entries to the nearest six minutes violated California law. Review was granted, and, on April 6, 2012, the CalChamber joined the Employers Group and the California Employment Law Council in filing a brief with the court that rendered this favorable decision.

CalChamber was concerned that the trial court decision in the See’s case would lead to the filing of many more class action lawsuits attacking rounding practices that employers have believed were completely lawful. Moreover, CalChamber recognized that the issue of rounding time entries is a matter of widespread concern to California employers. The CalChamber regularly receives inquiries from its members concerning the rounding of time entries. The CalChamber argued that clarifying this issue would be very helpful to California employers and help prevent litigation.

Employers Receive Needed Certainty

The filing of class actions alleging novel legal theories and designed to result in large settlements is bad for the California economy and encourages businesses to leave the state. The favorable decision in the See’s case will not only provide employers with the clarity needed to thwart class action lawsuits challenging rounding policies, but it will also give employers guidance on how to craft policies that comply with California’s law.

Staff Contact: Erika Frank

CalChamber to Present Webinar on Conducting Workplace Investigations

The California Chamber of Commerce is offering a webinar to help employers gain insight into the workplace investigation process before taking any disciplinary action.

The webinar is set for November 15, 10 a.m.—11:30 a.m.

Whether handled internally or externally, workplace investigations into an allegation of harassment or other misconduct require thorough planning, impartiality and confidentiality.

Topics

CalChamber employment law experts will discuss issues related to conducting legal workplace investigations, including:

- Investigation basics;
- Planning the investigation;
- Who should conduct investigations;
- Third-party investigations; and
- Recordkeeping and confidentiality.

The course is approved for 1.5 credit hours toward PHR and SPHR recertification through the Human Resource Certification Institute (HRCI).

Features

- Registrants for the live webinar receive downloadable webinar slides and may submit questions during the live event.
- The on-demand webinar, which is available beginning November 29, offers downloadable webinar slides and a recording of the live event.
- Customers purchasing the kit (both the live and on-demand webinars) receive downloadable webinar slides and a recording of the live event.

Presenters

- Susan Kemp, CalChamber senior employment law counsel and Helpline manager, has written and edited several CalChamber publications on topics such as employee handbooks, sexual harassment investigations, family and medical leave, and exempt/nonexempt employees. She holds a J.D. from the South Texas College of Law

- Erika Frank, CalChamber vice president, legal affairs, and general counsel, joined the CalChamber in April 2004 as a policy advocate and began serving as general counsel shortly thereafter, leveraging her 10 years of combined legal, governmental and legislative experience. As CalChamber’s subject matter expert on California and federal employment law, she oversees and contributes to CalChamber’s labor law and human resources compliance publications; co-produces and presents webinars and seminars; and heads the Labor Law Helpline. She holds a J.D. from the McGeorge School of Law.

Registration

For more information or to register, visit www.calchamberstore.com or call (800) 331-8877. Products are available for purchase by any business; CalChamber preferred and executive members receive a 20% discount.
Candidates Win

From Page 1

- Stockton City Council member Susan Talamantes Eggman, who won 63.5% of the vote in Assembly District 13.

ChamberPac-Supported

Candidates winning this week with ChamberPac support were:

- Legislative field deputy Ian Charles Calderon, who won 63.4% of the votes in Assembly District 57. He is the son of Assembly Majority Leader Charles Calderon, who reached his term limit this year.
- San Bernardino County publisher Cheryl R. Brown, who won 56.2% of votes in Assembly District 47.
- Oakley City Council member and former Mayor Jim Frazier, who won 61.1% of the vote in Assembly District 11, received ChamberPAC support in the primary election. Frazier is a small business owner.

Close Contests

As Alert went to print, two candidates supported by both the agriculture and business community were ahead in the vote count, but the margin in these Democrat versus Democrat races was too narrow to declare a winner.

In Assembly District 10, San Rafael City Council member Marc Levine has garnered 50.6% of the vote, while incumbent Assemblymember Michael Allen has earned 49.4% of the vote.

In Assembly District 50, Santa Monica Mayor Richard Bloom has 50.1% of the vote to 49.9% for incumbent Assemblymember Betsy Butler.

Open Primary Act

The June 5 primary was the first election to be run under the Top Two Candidates Open Primary Act, which requires that all candidates for a voter-nominated office be listed on the same ballot.

The CalChamber supported the Top Two Candidates Open Primary Act and Proposition 11, placing the drawing of political boundaries in the hands of the Citizens Redistricting Commission, to create new opportunities for competitive elections.

Eighteen of the 80 Assembly races in the general election were competitions between two candidates from the same party.

Staff Contact: Marty Wilson

Vote Protects Redistricting, Rejects Food Labeling Mandate, Tax

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.

Proposition 37

With 100% of precincts reporting on Tuesday morning, Proposition 37 failed, 53% no to 47% yes.

The CalChamber Board of Directors voted in March 2012 to oppose the measure because it is a deceptive, deeply flawed food labeling scheme that would have added more government bureaucracy and taxpayer costs, created new frivolous lawsuits, and increased food costs by billions—without providing any health or safety benefits.

Biotechnology, also called genetic engineering, has been used for nearly two decades to grow disease-resistant crops. Thousands of common foods are made with ingredients from biotech crops. Proposition 37 is full of special interest exemptions.

In announcing opposition to Proposition 37, Zaremberg said, “This measure is based on bad science and would place California at a competitive disadvantage to other states. If passed, Proposition 37 would impose specific state-only labeling requirements which confuse and unnecessarily worry consumers. Based on the breadth of the definitions in the initiative, almost every aspect of the food chain would be impacted, requiring needless labeling and sharply increasing the cost of food to consumers at a time when they can least afford it.”

Proposition 38

The CalChamber Board of Directors voted to oppose the measure because it has a heavy impact on small businesses, which are the source of most new jobs, by imposing steep, new taxes. Proposition 38 failed, 72% no to 28% yes. Zaremberg also signed the ballot arguments opposing Proposition 38.

Proposition 38 contained a $120 billion income tax hike on most Californians, locked in for the next 12 years, no matter what.

About 3.8 million California small businesses pay individual taxes on their earnings. Consequently, small businesses would have been devastated by these higher taxes—even businesses making as little as $30,000 or $40,000 a year.

Instead of creating jobs and improving the economy, Proposition 38 would have forced family businesses to cut jobs, move out of state or even close.

The measure contained no requirements to improve school performance or get rid of bad teachers. It allowed no changes, even for fraud or waste, for 12 years without another vote.

Proposition 38 allowed the politicians to keep spending, but contained nothing that required any of the funds to be used specifically for deficit reduction.

More Information

The latest election results are available at www.ss.ca.gov.

CalChamber-Sponsored Seminars/Trade Shows

More information at www.calchamber.com/events.

Labor Law


Business Resources


International Trade

Opportunities in International Trade. Oxnard Chamber. November 16, Oxnard. (805) 409-9156.


CalChamber Urges Congressional Action to Ensure U.S. Access to Russian Market

The California Chamber of Commerce is urging Congress to act as quickly as possible to enable U.S. companies to compete in the growing and profitable Russian marketplace.

What’s needed is congressional passage of legislation extending Permanent Normal Trade Relations (PNTR) with Russia so that U.S. companies can gain the benefits of the market-opening reforms that were part of Russia joining the World Trade Organization (WTO) in August.

Russia’s joining the WTO was a welcome development for American workers, farmers and companies. Joining the WTO includes a commitment by Moscow to further open its market, safeguard intellectual property and investments, and strengthen the rule of law. The result could be more U.S. exports and more American jobs, as U.S. companies see huge potential in Russia, by far the largest economy in the world that had yet to join the WTO.

The Russia PNTR legislation passed the U.S. House Ways and Means Committee and the U.S. Senate Finance Committee before the election. Supporters of PNTR for Russia are encouraging the White House and Congress to work together to ensure passage of Russia PNTR this year.

The legislation is crucial in order for U.S. manufacturers, service providers, agricultural producers and their employees to take advantage of the many market-opening and transparency commitments that form Russia’s accession package to the WTO. PNTR also gives the United States a powerful tool by enabling the United States to ensure that Russia abides by those commitments through internationally binding WTO dispute settlement.

Trade Opportunities

Russia is the world’s ninth largest national economy with 140 million increasingly prosperous consumers. Russia also has exhibited a growing demand for high quality goods and services. Yet many of Russia’s WTO commitments that will greatly improve its business climate will be out of the United States’ reach — unless Congress passes Russia PNTR legislation. These WTO commitments include Russia’s adherence to the rules of the international trading system regarding intellectual property rights, science- and risk-based regulation for animal and plant health, and liberalizations in key sectors.

Of the top 15 U.S. trading partners, Russia was the market where American companies enjoyed the fastest export growth last year (38%). Approval of Russia PNTR legislation will translate directly into new export sales and jobs in the United States. The President’s Export Council estimates that U.S. exports to Russia — which, according to estimates, topped $11 billion in 2011 — could double or triple following Russia’s membership in the WTO. Meanwhile, the United States gives up nothing — not a single tariff — in approving PNTR with Russia.

Russia is an important part of U.S. business’ global strategy to create and sustain jobs at home by enhancing long-term competitiveness abroad. Many U.S. companies have developed vibrant, profitable and rapidly growing business and trade with Russia, with clear strategic benefits to parent companies, exports from, and employment in, the United States. Without PNTR, U.S. companies and their employees will be left behind competitors in this growing and profitable market.

Moving Beyond Outdated Law

The short and simple bill establishing PNTR for Russia moves it beyond the outdated requirements of the Jackson-Vanik amendment to the Trade Act of 1974. The amendment was enacted with the chief purpose of ending the policy that prevented emigration of Jews from the then-Soviet Union. With respect to Russia, the Jackson-Vanik amendment has accomplished its objective. Russia terminated its exit fees on Russian Jews freely emigrate to Israel and elsewhere.

Since 1992, U.S. presidents of both parties have certified annually that Russia complies with the Jackson-Vanik amendment’s provisions. This certification has allowed the United States to maintain Normal Trade Relations (NTR) status with Russia. Now is the time for Congress to end this certification process and make this normal trading status permanent.

Because no other WTO member has a law similar to Jackson-Vanik, all of Russia’s trading partners except the United States are already benefitting from Russia joining the WTO. If Congress fails to enact PNTR with Russia, U.S. industry will continue to be on the sidelines of Russia’s market, at a disadvantage for lucrative contracts, and without the full tools provided by a WTO relationship.

Failure to approve PNTR, thereby removing Russia from Jackson-Vanik requirements, would put the United States at a unique disadvantage in the Russian market. Meanwhile, European and Asian companies are building on their already-significant head start in tapping the growing Russian market.

CalChamber Position

While the CalChamber deplores human rights abuses in Russia and elsewhere around the world, the CalChamber supports extension of PNTR status and accession to the WTO for Russia as an important step toward greater respect for human rights and political freedom for the Russian people. U.S. trade and investment provide crucial support for the entrepreneurial forces in Russian society that advocate further economic and political reform.

Action Needed

Contact your representatives in Congress and urge them to support PNTR with Russia. Congress must pass PNTR as soon as possible after reconvening following the November 6 election, or else risk putting U.S. businesses, workers and farmers at a long-term disadvantage in this important market.

For more information, see www.calchamber.com/RussiaPNTR.

Staff Contact: Susanne Stirling
The California Chamber of Commerce-supported U.S.-Panama Trade Promotion Agreement went into effect on October 31.

The agreement will significantly increase the ability of U.S. companies to export their products to one of Latin America’s fastest-growing economies, while dramatically reducing the tariff rates across the range of U.S. industrial and agricultural goods.

Panama has been hailed for the strong growth in its economy and its commitment to fighting corruption. In 2011, the United States had a trade surplus with Panama, with exports totaling $8.3 billion and imports slightly under $390 million. California exports to Panama totaled $450 million, making it the state’s 36th largest export market.

Ambassador Ron Kirk, U.S. trade representative, and Ricardo Quijano, Panama’s minister of commerce and industry, announced the October 31 effective date for the trade promotion agreement (TPA) the previous week. The announcement followed completion of a thorough review by the United States and Panama of their respective laws and regulations related to implementation of the agreement.

The agreement guarantees expanded access for U.S. manufactured and agricultural products, as well as to Panama’s $22 billion services market, including priority areas such as telecommunications, computers, distribution, express delivery, energy, environmental, and professional services.

U.S.-Panama TPA is expected to increase U.S. exports to Panama by removing or reducing trade barriers in the Panamanian market and by leveling the tariff playing field. Ninety-eight percent of Panama’s exports to the U.S. entered duty-free in 2010, while fewer than 40% of U.S. goods entered Panama without tariffs.

According to the Office of the U.S. Trade Representative, Panama will eliminate tariffs on more than 86% of U.S. industrial and consumer goods. Almost half of U.S. agricultural goods, which currently face average tariffs of 15%, will immediately become duty-free. All tariffs on industrial goods will be eliminated within 10 years, and most of the remaining tariffs on agricultural goods will be eliminated over the next 15 years.

Panama is one of the fastest-growing economies in Latin America, expanding 10.6% in 2011, with forecasts of between 5% to 8% annual growth through 2017.

**Panama Canal**

The U.S.-Panama TPA will also ensure that U.S. firms have an opportunity to participate on a competitive basis in the $5.25 billion Panama Canal expansion project. Panama’s strategic location as a major shipping route and the massive project underway to expand the capacity of the canal enhances the importance of the U.S.-Panama TPA. Ultimately, the canal expansion will benefit California’s exporters by increasing the canal’s capacity, which will reduce the costs of transporting goods while keeping up with the demands of a growing global economy.

**Background**

On October, 21, 2011, the U.S. President signed into law HR 3079, the “United States-Panama Trade Promotion Agreement Implementation Act.” Just prior, on October 12, 2011, the U.S. House passed the agreement with a vote of 300-129 and the U.S. Senate passed the measure with a vote of 77–22.

The United States and Panama signed the TPA in 2007 and the Panamanian government approved the agreement the same year. Work originally began on the trade pact in 2005, with the United States and Panama concluding negotiations in December 2006.

**CalChamber Position**

The CalChamber, in keeping with long-standing policy, enthusiastically supports free trade worldwide, expansion of international trade and investment, fair and equitable market access for California products abroad and elimination of disincentives that impede the international competitiveness of California business. New multilateral, sectoral and regional trade agreements ensure that the United States may continue to gain access to world markets, resulting in an improved economy and additional employment of Americans.

The U.S.-Panama TPA is a critical element of the U.S. National Export Initiative and strategy to liberalize trade through multilateral, regional and bilateral initiatives. Further, the agreement will increase momentum toward lowering trade barriers and set a positive example for other small economies in the Western Hemisphere.

**More Information**

For more information on Panama, visit [www.calchamber.com/Panama](http://www.calchamber.com/Panama) and [www.calchamber.com/PanamaFTA](http://www.calchamber.com/PanamaFTA).

**Staff Contact:** Susanne Stirling
Six California Chamber of Commerce members from the Sacramento region were recognized as the “Best Places to Work” in the Sacramento Business Journal October issue.

The Business Journal contracted with market research firm Quantum Workplace to ask employees of nominated companies to complete an online survey in July and August. The survey measured job satisfaction in 10 categories, including: teamwork, trust in senior leaders, manager effectiveness, and compensation and benefits.

**Best Companies**

Following are the CalChamber member companies that made it to the A+ Employers: Best Places to Work list, along with the comments their representatives gave to the Sacramento Business Journal.

- **FSB Core Strategies** — No. 1 in Micro Companies.
  The public affairs and communications firm believes that the most important feature to provide for employees is recognition—whether it’s an email from the president or partners, or a gift card to their favorite store. “We are a team and if one of our team members goes above and beyond, it’s imperative they be recognized,” President Jeff Flint said.

- **Pacifi c Business Centers** — No. 4 in Micro Companies.
  The company provides serviced office space and meeting rooms for small and medium-sized businesses.
  Pacifi c Business Centers defi nes an A+ workplace as a “workplace environment that is both comfortable and complete with amenities that make productivity possible.”

- **Terra Nova Counseling** — No. 5 in Small Companies.
  Terra Nova provides mental health counseling, education, and intervention for children, adults and families.
  The company sees good employees as its greatest asset and believes that successful workplaces are built on trust.
  “Employees have to trust that management keeps their welfare foremost in decision-making. Management has to trust employees to be able to do their jobs and to seek help when it’s needed,” said President and CEO Mary Stroube.

- **Sheraton Grand Hotel** — No. 1 in Medium Companies.
  Sheraton Grand Hotel believes that an A+ workplace offers competitive pay, great benefi ts, and creates a nurturing and supportive work environment.
  Melissa Barcelo, director of human resources, said the biggest mistake an owner or manager can make is to resist change. “Effective leaders must be open to feedback and criticism, and just as importantly, not only be willing to listen to the concerns of the associate, but acknowledge when the organization, department or themselves as a leader have failed. Then being able to work with the associates to determine a better outcome for the future. This creates trust, conﬁ dence and respect,” she said.

- **Volt Workforce Solutions** — No. 2 in Medium Companies.
  The staffing agency defi nes an A+ workplace as “one where people feel empowered to create success and welcome being held accountable to the results.”
  Vice President Tim Chapman adds that “people that feel their work matters are happier, more creative and more motivated.”
  The biggest mistake an owner or manager can make is “failing to maintain the ‘health’ of their team.” This means that employers must be careful and thoughtful when looking to add new staff, or coaching a staff team.

- **Kitchell CEM** — No. 4 in Medium Companies.
  The construction management and real estate development company believes that an A+ workplace is one where people want to contribute every single day. It is a “place where employees trust who they work with and are not afraid to challenge the status quo.”
  Recognizing achievement also is important.
  “To be successful these days, everyone needs to be working toward the same goals. When people are recognized for contributing towards the success of the organization, they stay energized and realize there is a purpose,” Vice President of Operations David Giannelli said.

CalChamber Companies in Sacramento Recognized as Best Places to Work
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